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## The Nation's Business

### Canadian People Back Into Wheat

THE people of Canada are back in the wheat business. As a matter of law, as a matter of fact, as a matter of public finance, and as a matter of public responsibility that conclusion is inescapable.

Just what citizen taxpayers will pay for their responsibility remains to be seen.

Based on quotations for October wheat, the cost of the new governmental guarantee of a basic price of 80 cents for western wheat may be $20 millions. Actual cost will depend on the course of prices during the crop year. Had the higher guarantee of 87½ cents per bushel sought by some western interests been effective, there would be at risk an additional $20 millions.

This money will, of course, have to come from the public treasury. After Canada's experience in stabilizing wheat prices no one is so simple to suppose that this or any other subsidy to wheat farmers can be provided at the expense of overseas consumers instead of at the expense of the Dominion Government.

To quote the report of Mr. Justice Turgeon:

> "If ever again circumstances should induce the Government of Canada to intervene in wheat marketing by paying the producer a price in excess of world prices, no attempt should be made to enforce that excessive price overseas, that is, to pass the burden of our relief to the producer on to the buyer. He will not accept the burden.
>
> "And in the long run all attempts to pass it on, by withholding supplies or otherwise, will prove detrimental to the producers themselves, because it will again indispose buyers toward Canadian wheat."

* * *

### Difficulties of Government Marketing

FORTUNATELY the announcement by Prime Minister King makes it clear that the Government is under no delusions in this respect.

Canadian wheat is to be offered competitively in the world's markets by the Wheat Board without regard to its cost to the Government. That is the correct attitude from the marketing standpoint.

Nevertheless there are grave dangers in the situation.

Despite the good record of the Wheat Board under J. R. Murray in disposing of surpluses piled up during the Bennett-McFarland stabilization policy, no government body can be an efficient marketing organization. A laudable desire to minimize losses might create the temptation for market manipulation by withholding supplies, no matter how fallacious such attempts have proved in the past. Moreover, the Wheat Board is in constant danger of being accused of such attempts, no matter how innocent it may be.

* * *

CANADIAN wheat usually commands a premium in world markets because of its quality. In open market conditions, and when the supply is restricted, that premium is often high. Last year overseas buyers frequently paid 50 cents a bushel more for Canadian wheat and competed eagerly for the privilege.

No government body could have obtained such premiums without being accused of attempts to hold up the consumer. The normal premium is small, but buyers are likely to resist paying even the normal premium to a government body.

The overseas evidence given to the Turgeon Commission contained a melancholy record of the harm done to the marketing of Canadian wheat by policies which customers construed as attempts to hold them up.

The task of getting our wheat reestablished in world markets is a difficult one. It will inevitably be more difficult if a government board first buys all the wheat.

* * *

### Alternative Plan Badly Needed

IF WE grant that price assistance to western farmers had become necessary, it is unfortunate that the enquiries of the Turgeon Commission did not develop some other plan of giving assistance than one which put the Government into the grain business. Referring to stabilization Mr. Justice Turgeon said:

> "It is to be hoped that similar conditions will not occur again. If they do it may be better to meet them by some other form of intervention."

In suggesting the possibility of emergency conditions this year that must require intervention, he reported:

> "In the meantime, I can think of nothing better to suggest than that the board be maintained to meet any situation which may arise."

The Wheat Board should interfere as little as possible with the normal flow of wheat through export channels. It is in essence not a marketing body, but a subsidizing organization. It intervenes as the purchaser of wheat only because no other method has been hit upon of making effective the price guarantee.

Both the terms of the Act which established the Wheat Board and repeated declarations on the part of the Government, as well as the actual conduct of the Wheat Board

(Continued on page 2, col. 3)

# Nat. Steel Car Net May Reach $7 Per Share

## Production Under Way on Plane Order For Ottawa

### STILL MAKING SHELLS

When the annual report of National Steel Car Corp. for the year ended June 30, 1938, appears later this month, it is believed that it may show net earnings equivalent to over $7 a share on the 130,000 common shares. If this proves true it will mean profits of about $1 million, or about the same level as those for the year ended June 30, 1930, when previous high level of earnings was reached.

In the year ended June 30, 1937, National Steel Car earned $1.24 a share on its stock which represented the first substantial profits since 1931. Last September a dividend of 50 cents a share was paid, first payment since Jan. 3, 1933. Since then the company has continued regular quarterly payments of the same amount.

**Rail and Plane Orders**

Orders from the two Canadian railroads continued at a good rate in the past year and it is believed other business, such as mining machinery, played a part in aiding the improved earnings.

The company has nearly completed its airplane plant at Malton and is already in production on the order for 28 Westland Lysander planes received from the Dominion Government. This order involved an approximate cost of close to $1 million, and the company took it on a cost plus 10% basis. Rights to the Westland Lysander plane have been purchased on the basis of a cash payment and a sliding scale of royalties.

The company some time ago bought land at Burlington which could be used as a seaplane base. It is understood, however, that no work on this line is contemplated at present.

In Nov., 1936, the company obtained an order from the British Government to manufacture 520,000 25-pound shells. It is understood that it is continuing to make these shells on a trial basis.

Rumors have been prevalent for some time that National Steel Car was planning to split its stock on a five-for-one basis. No confirmation can be obtained, however, that this action is contemplated by directors.

# Geo. Weston Earnings Up

## Balance Available for Common Shares $210,978 For Half Year

George Weston and subsidiaries report a net operating profit of $360,389, before depreciation and income tax, but after provision for all interest due and accrued on the funded debt of subsidiaries, for the six months ended June 30. This compares with $286,377 for a similar period in 1937.

After providing $105,661 for depreciation, there remained net earnings for the period before income tax of $254,728, an increase from $195,791 for the same period in the preceding year.

Payment of preferred dividends in both years of $43,750 left net on the common, before income tax of $210,978 for the 1938 period, contrasted with $152,041 for the 1937 period.

**Operating Statement**
**For Six Months Ended June 30**

| | 1938<br>$ | 1937<br>$ |
|---|---|---|
| Net oper. profit ...... | 360,389 | 286,377 |
| Depreciation ......... | 105,661 | 90,586 |
| Net earnings† ........ | 254,728 | 195,791 |
| Preferred divds. ... | 43,750 | 43,750 |
| Bal. avail. for com. .. | 210,978 | 152,041 |

†Before provision for income tax.

### Montreal Stock Brokers Increase Bank Loans

From Our Own Correspondent

MONTREAL.—Collateral borrowings of member firms of the Montreal Stock Exchange totalled $16,233,036 at the end of July, an increase of $2,268,078 from the previous month. At the end of July a year ago, borrowings amounted to $37,701,645.

The current loan figure is the highest recorded since February this year.

# New Credit Terms Made With Hearst On Newsprint Sale

## Publisher Meets Demands of Canadian Companies at Montreal Meeting

### BENEFIT TO INDUSTRY

By JOHN E. LANGDON
Eastern Editor, The Financial Post

MONTREAL.—Business relations between Canadian newsprint companies and their largest customers—the Hearst newspaper chain which contracts for about $20 millions of paper annually—have been put on a new basis.

Over the past week, meetings were held in Montreal between representatives of Hearst, the newsprint companies and the banks. The cards were laid on the table. As a consequence it was agreed to revise the terms of credit which have been extended generally to Hearst.

Under the new arrangement, paper will be supplied to the Hearst newspapers on a four months credit basis.

Commencing with August deliveries, the collateral put up by the Hearst buying organization will be much more substantial, providing greater protection to the shippers.

**Need for Liquidity**

It is an open secret that for some months past Hearst has been having financial difficulties. The troubles have not been due to a lack of assets. They have been due to shortage of cash. His holdings are enormously valuable, but the depression and other causes have placed him in a position where he was embarrassed by a lack of financial liquidity.

Early this year arrangements were made with the Chase National Bank, New York, and a group of Canadian banks, whereby the necessary cash credit would be established until certain assets were liquidated.

**Called the Turn**

Because of his importance as a newsprint buyer, Hearst has been able to buy his newsprint supply on very favorable terms. Long term credits have been extended, generally with little or no collateral.

In the past year, paper has been sold to him on credit notes running from three to six months, with an average less than four months. Interest on the unpaid balance has ranged between 5 and 6%.

The Canadian newsprint operators having contracts with Hearst's newsprint buying organization follow:

Lake St. John Power & Paper
Brompton
Anglo-Canadian Paper Mills
Abitibi
Can. International Paper
Mersey Paper
Donnacona Paper
Donohue Bros.

In addition to the Chase National Bank, the following Canadian banks are understood to be interested in the new financial arrangements: :

Banque Canadienne Nationale
Imperial Bank
Bank of Montreal
Royal Bank of Canada

**New Terms Needed**

For the past six months, Canadian mills, aware of Hearst's cash shortage, have sharply curtailed shipments. They have forced liquidation of excess newsprint inventories and the liquidation has gone so far that by the end of July the normal "carry" was eaten into.

Approaching a period when it would be necessary materially to increase shipments in order that Hearst's papers would have an adequate supply of newsprint, the Canadian companies called for a new financial deal. They felt the existing arrangements did not provide sufficient protection, even though they were confident that eventually they would be paid for all paper shipped.

Hearst's importance as a newsprint buyer makes the new financial arrangements of the greatest importance to the Canadian industry. Because of its very large requirements, Hearst's newsprint buying organization has tended to dominate the market and at times to dictate terms. In their eagerness to get a slice of the business, producers have made wide concessions in the past, giving commissions to the buying agents, rebates, etc.,

**Big Tonnage Involved**

This year nearly 1 out of every 9 tons of newsprint produced in Canada will be consumed by a Hearst paper. His requirements are expected to aggregate around 400,000 tons. Normally Hearst contracts for 450,000 tons annually and some years has gone considerably higher.

It is difficult to estimate present requirements. In the first place the

(Continued on page 2, col. 6)

### *Better Market Seen For Canadian Pulp*

From Our Own Correspondent

MONTREAL. — Demand for all grades of domestic and imported pulps, says the Paper Trade Journal, continues on about the same relatively light level which has prevailed for some weeks. Prices remain firm and it is the prevailing opinion in the trade that the trend is now definitely upward and that a gradual improvement may be looked for. A substantial increase in demand is said to be reasonably certain during September.

# Ottawa Looks At Anticosti

## Consolidated Paper Property May be Used by Air Force

From Our Own Correspondent

MONTREAL. — Anticosti Island, freehold property of Consolidated Paper Corp., is in the news again. This time the Canadian Government is conducting a survey of the Island with a view to its use as possible airplane and naval bases.

The strategic location of the Island makes it highly important if the Government goes ahead with setting up defenses near the mouth of the St. Lawrence River. Whether or not it can be developed will depend upon the report to be made by Royal Canadian Air Force officers now surveying the property.

**Look at Two Sites**

Studied as a possible airport site, Ellis Bay proved unsuitable, because of its possible variations and huge bolders which menace seaplanes even at high tide. The bay, however, offers a protected basin for naval craft.

Lake Plantin on the other hand, offers better facilities, with good road communications, etc. It is stated that a mile-square rolling plain near the lake, on the west side of the Island, offered an ideal site for an airport and air harbor. The lake, moreover, is near the point where the St. Lawrence channels are the narrowest.

**New Crop of Rumors**

The reports of the Dominion Government's activities at the Island have given rise to many stories, few of which have any substance. It has been said that Ottawa would buy the Island at a handsome profit to the company; that the development of the air base would enable Consolidated Paper to get out its pulpwood more cheaply, etc.

All this talk has been exaggerated

(Continued on page 2, col. 1)

# *Newsprint Mills Mark Time Awaiting Upturn in Business*

From Our Own Correspondent

MONTREAL.—Seasonal slackness in production and shipments of newsprint paper has not made itself felt so far this year. In July it is understood that operations continued along the same level as in June and no change is reported for the first week in August.

The American publishers continue to draw upon their surplus stocks, which have now been reduced to almost normal proportions. The expected upturn in demand is in sight, but the extent to which the buyers will call for additional deliveries depends upon the recovery of business. Advertising linage continues on a lower scale than last year and so far there has been no change in the trend.

Advance reports on the fall advertising programmes of the large national advertisers are more encouraging. One publishing chain estimates that the fall campaigns will be about 10% larger than a year ago. Whether local advertising will follow the same upward swing will depend on business developments over the course of the next three or four weeks.

In the trade the belief is that the latter part of August, or September, will witness an appreciable betterment in demand for paper.

# Higher Volume In Mail Order Field Expected

## Fall Prospects Improved By Improved Crops in West

### SOME PRICES PARED

Stimulated by improved economic conditions in the West and price reductions on a number of staple household commodities, volume of Canadian mail order buying in the coming fall and winter is expected to show considerable improvement over last year. In the past, mail order sales and prices have been watched as a guide to prospects for retailing generally.

This is the season when hundreds of thousands of households are checking the merchandise and prices offered in mail order catalogues. Distribution of the fall issues of Canada's two leading mail order houses, The Robert Simpson Co. and The T. Eaton Co., is well under way.

In anticipation of expanded purchasing power in central and western Canada, catalogues are somewhat larger in size and are being placed in more homes than a year ago.

Feature of The Robert Simpson Co. fall offerings is the lower price trend in regard to staple household commodities, particularly staple textiles. Despite unchanged level of taxation and labor costs, prices in this class of merchandise are slightly lower than those in either last fall's catalogue or last spring's issue.

There are no price increases and apart from the household staples, there is little or no important price change from the catalogues issued since a year ago.

**More Urban Business**

In recent years, both Simpson's and Eaton's have done an increasing volume of mail order business in cities and towns, particularly those without the convenience of a regular retail outlet of either company. This is mainly because differences in fashions and household requirements between rural and urban communities have largely disappeared. The influence of the radio, the automobile and periodical journals has raised rural standards, and the merchandise that must be offered to satisfy rural demands is proving equally attractive to urban dwellers.

Bulk of mail order business is still done in country districts, however, especially those beyond reach of ordinary retail channels. The expectation of better business from mail orders during the next six months is based chiefly on the prospect of better and more widely distributed crop results in the Prairie Provinces. Not only will it be larger, but it will be harvested over a much wider area than for several years.

"Many of our customers who were forced on relief through drought and crop failures will be able to supply their own requirements this fall," said a Simpson company official.

Satisfactory business from mail order is also expected in Ontario and Quebec, where crops have been generally good. In the Maritimes, con-

(Continued on page 2, col. 8)

# U. S. Investment Trusts Trade Canadian Stocks

## Nickel is Still First in Popularity Despite Heavier Selling

International Nickel stock remains the most popular investment with the major United States investment trusts, being included in the portfolios of 27 management type trusts, as at June 30. In spite of this, however, International Nickel stock was sold on balance in the second quarter of 1938.

International Nickel was the only Canadian stock to be included in the 30 most favored stocks so far as the U. S. investment trusts were concerned. But there were a number of others that entered into the purchases or sales that have been reported for the three months just passed.

Naturally most of the trading done by this group of professional investors was in American stocks. Chemicals seemed to have been in least favor during the period. American Cyanamid class B, for example, in which there is considerable Canadian interest, was sold extensively.

Among stocks purchased, if any preference seemed to have been shown, it was probably on the side of U. S. utilities and steel stocks. Niagara Hudson, American Gas & Electric and North American made frequent appearances among purchases.

One company, General Investors Corp., sold $50,000 Dominion of Canada 2¼% bonds, due 1944.

Aluminium Ltd. was sold rather heavily with seven of the companies surveyed reporting sales.

**Ford Motor Favored**

Ford Motor Co. of Canada class A stock came in for some buying by Selected Industries and Tri-Continental Corp., both of which added to previous holdings. American International Corp. also added to its holdings of Dominion Steel & Coal class B stock.

Abitibi 6% preferred and International Paper & Power preferred and common were sold by American International. This company also bought 1,000 shares of Paramount Pictures 2nd. preferred.

**Chief Interest in Mines**

Canadian mining stocks, however, came in for most attention by the large U. S. investment trusts. Dome, Hudson Bay Mining, Noranda, Lake Shore, McIntyre Porcupine and International Mining all received some attention. In the 12 companies surveyed, Hudson Bay Mining came in for more trading than any other stock. There were 16,700 shares sold and 24,600 shares bought. International Nickel was another to appear in both purchases and sales although in this case more stock was sold than was purchased. Three of the trusts bought 4,400 shares of Noranda while selling 4,000 shares.

A summary of the balance of transactions follows.

**Summary of Sales and Purchases**

| | Bought Shares | Sold Shares |
|---|---|---|
| Aluminium Ltd......... | ...... | 4,150 |
| Abitibi 6% pfd. ....... | ...... | 1,000 |
| Dome ................... | 14,800 | ...... |
| Dosco B. ............... | 100 | ...... |
| Ford A. ................ | 3,800 | ...... |
| Hollinger .............. | 5,000 | ...... |
| Hudson Bay Mining ... | 7,900 | ...... |
| Inter. Nickel .......... | ...... | 9,000 |
| Inter. Mining .......... | 5,000 | ...... |
| Inter. Paper & Power: | | |
| Preferred ............ | ...... | 4,200 |
| Common ............. | ...... | 4,000 |
| Lake Shore ............ | 6,000 | ...... |
| McIntyre .............. | 1,000 | ...... |
| Noranda ............... | 400 | ...... |
| Paramount, 2nd pfd. .. | 1,000 | ...... |
| Wright-Hargreaves .... | 10,000 | ...... |

### *Dosco Faces Possible Strike*

From Our Own Correspondent

MONTREAL. — Employees of the Dominion Steel & Coal Corp. at the Sydney steel plant have rejected a wage-agreement negotiated a month previously by union representatives and Dosco officials. The vote was 1,177-836.

Reports from Sydney say that union officials are uncertain regarding the next move. Approval of the workers was necessary for operation of the contract, the terms of which were not made public.

No comment is forthcoming from the company, as President Arthur Cross is out of town.

# Alberta Farmers Accepting Offers Of Mortgage Firms

## Companies Successful in Negotiating Renewal Agreements in Face of Government Opposition—Ninety Per Cent of Debtors Now Reported Ready to Sign

From Our Own Correspondent

EDMONTON.—Disclosure that an offer of renewal agreements made by mortgage companies in Alberta was being generally accepted by mortgagors has revealed that the companies have taken the initiative in bringing about lower interest rates after two years of futile effort to secure the co-operation of the Social Credit Government.

Renewal agreements being offered set the maximum interest rate on farm mortgages in Alberta at 6% for a period of from five to 10 years, depending on the policy adopted by individual companies. A spokesman for a large company reports that fully 90% of the debtors to whom the new agreement has been offered have accepted.

The companies, including insurance firms, contemplated similar action to that taken in Saskatchewan, where private lenders joined with provincial and federal Government in a general debt adjustment and interest-reducing scheme in 1936. A formal proposal along these lines was placed before the Aberhart cabinet in February, 1937, and failing a reply from the Government, was made again in April, 1938.

Early this year, Premier Aberhart stated there was nothing to be gained by the companies repeating the offer, that "there had been no public demand for acceptance of the offer."

**Government Failure**

Failure of the Social Credit Government to achieve anything beyond moratorium protection in the way of debt relief, is regarded as a factor in the success of the policy which the mortgage companies have now adopted. In many cases, the 6% maximum interest has been in effect for the clients of some companies for several months.

One large insurance company has reduced interest to 6% on all farm mortgages since Jan. 1, 1937, and another reports it has calculated interest at not more than 6% since Aug. 1 last.

**Aberhart Committal**

Future plans of the Social Credit administration had been hidden in a tomb-like silence until Premier Aberhart, spurred by a newspaper report that he intended to make a public confession of his failure, proclaimed fresh confidence in his policies respecting social credit. Deciding apparently to ignore an opportunity that has existed since the Saskatchewan election to admit the failure of his impracticable economic programme, he has bound himself afresh to the promises to which he committed himself in 1935.

Coupled with this statement was a promise to provide further debtor protection this fall if necessary, a reference interpreted in Government circles to mean that a blanket moratorium might be invoked, for which statutory power already exists. The faint possibility that had been seen by some observers that after the Saskatchewan election, the Alberta Government might see fit to settle down to devoting the last 18 or 24 months of its term of office to tackling vital problems of the province in more orthodox fashion, is now regarded as dispelled.

**Dead End**

The report that forced Mr. Aberhart to break the silence he has maintained for the most part since his disastrous Saskatchewan adventure, appeared in the Calgary Albertan, under the heading: "Social Credit at Dead End." It predicted the Aberhart Government would shortly announce that Social Credit as promised in 1935 was finished, that no provincial economic system would be established, and no dividends could be paid.

The newspaper further forecast an early visit to Hon. Solon Low, provincial treasurer, to eastern Canada and New York, to seek refunding of the provincial debt, part of which is in default. This forecast of a radical change of policy by the Government could not be confirmed. Whether the absence of Mr. Low on holiday had any connection with the Albertan's forecast was a matter of speculation.

# C. S. L. Granting Wage Increase

## Agreement Reached With Union Following Threat of Strike

From Our Own Correspondent

MONTREAL. — Effective Sept 1, employees of Canada Steamship Lines are to receive wage increases ranging up to 10%, as a result of an agreement signed with the Canadian Seamen's Union. The actual increase to crew members is $5 a month.

The agreement, which is to be in force until Sept. 1, 1940, grants Canadian Seamen's Union exclusive bargaining rights for all Canada Steamship Lines employees. Furthermore, the Union is to have the right to appoint a delegate on each ship.

It also provides that deckhands working over 12 hours in any one day are to get time off to compensate. In addition, all unnecessary work on Saturday afternoons, Sundays and holidays is to be eliminated. In the event of members of crews doing longshoremen's work they are to be paid 40 cents an hour over and above regular pay.

Signing of the contract between the company and the Union brought to an end all threats of a strike. The Union had actually called a strike for noon, Aug. 6, but action was postponed.

Similar agreements with other steamship companies will be sought by the company immediately.

# Will Sterling Go Under Par?

## Some See Eventual Stabilization Below Old Parity of $4.86 2/3

Where is sterling exchange heading?

With the pound touching $4.87½ at New York this week, the lowest it has been in many months, speculation is again rife as to what is behind the movement.

That the British Government is willing to see it decline is evident. If it were not, the Exchange Equalization Fund would have been brought into play to check the descent. But it has not been so used. This leads to a belief that the fall in the pound is the result of a deliberate policy.

It is equally evident that the United States is not offering any objection to a cheaper pound. With Great Britain and United States acting in concert in exchange matters, no movement such as that which has occurred would be permitted unless all interested parties were agreed.

**The Fear of War**

Under these conditions the fear of war while it may be a factor is not to be regarded as the main one in the decline of sterling. Obviously many people are selling sterling and buying gold. On Tuesday gold purchases were reported at £2.5 millions and the price rose to 142s. 7½d. per oz. With gold linked to the U. S. dollar the latter rose in terms of sterling or sterling fell in terms of the dollar. But if allied nations wanted to hold the pound up they would certainly be able to do so.

As far as Canada is concerned, it is of prime importance that the exchange rate be stabilized in order to remove the uncertainty affecting her export trade. The concurrent rise in the price of gold in London on the other hand has great implications as far as the gold mining industry is concerned.

**Might Go Below $4.86 2/3**

Two current theories are that the pound is to be allowed to sink to the old parity of $4.86 2/3 where it will be pegged or that it may be allowed to sink still lower before being stabilized.

Reasons advanced for the move are no different from those circulating some weeks ago. It has been suggested that a lower pound is considered a necessary preliminary to

(Continued on page 2, col. 4)

# C.P.R. Lake Line May Get Exports

## Australia Designates Chicago and Milwaukee As Ports of Export

From Our Own Correspondent

MONTREAL. — Canadian Pacific Railway will benefit as a result of action of the Australian Government in designating Chicago and Milwaukee as ports of export on shipments routed via the railway's Great Lakes Line.

Steamship service between Port McNichol, Ont., and Milwaukee and Chicago was established by the C. P. R. this year. The steamships Alberta and Athabaska, which had been tied up for several years, are used in the service.

On shipments from the Chicago and Milwaukee areas the C. P. R. will have an advantage over United States railways. Costs of transportation on such shipments will not be added to the invoice value of goods in determining duty payable in Australia. Transportation rates within the U. S. are subject to the same rate of duty as the merchandise itself.

# Air Mission Seen Ready For Business

## Definite Results Expected From Meeting This Week

### LONG TERM PLAN

Complete roster of the British Air Mission is slated to meet in Canada for the first time this week. In this lies imminent prospect for definite results from their scrutiny of Canadian industry as a potential source of British war planes.

What these results will be is still largely a matter of conjecture, particularly in regard to details of the Mission's tentative objective and the methods by which it hopes to attain that aim. One reason for this is that the three members of the Mission who have been engaged in exploratory work here for the past two weeks, have been extremely guarded in discussing their plans and requirements.

The three men on the ground have been exploring a variety of alternative possibilities. However, one thing has been made clear in their public statements. Britain is not interested in tapping Canada to meet its war plane requirements for the immediate future—which in aircraft production means two to three years.

**General Objective**

The general objective toward which the Mission and the British Air Ministry is aiming, and which is more within the practical capacity of Canadian industry, is gradual development of a potential reserve. This would be relied on for emergency large scale production of military aircraft. Such an aim requires evolution of plans on the soundest possible basis from a long term view. It calls for careful analysis of alternatives to determine how Canadian industrial performance can best measure up to requirements.

Development of such a potential from the Canadian aircraft and auxiliary industries, with their present limited scope, would be a matter of years and obviously could not be done on paper. Actual production must be undertaken to provide Canadian industry with working experience. And actual production means contracts, to justify expansion and test performance.

Such contracts, when finally awarded, may run into comparatively staggering figures over a period of three to five years. They will likely involve a sustained higher level of operation of the Canadian aircraft industry for some time to come, and lead to development of secondary industries supplying parts and materials. But there is no assurance that the Mission will attempt to initiate aircraft production, and evolution of a reserve source of machines, at an arbitrary, impractically high level.

**Selective Basis**

It appears far more likely that any contracts will be placed on a carefully selective basis. And at least in the launching of the programme, such awards will be judiciously experimental in volume. The Mission is by no means committed to allotting an order to the industry as a whole for rule-of-thumb division between the various units though some such method has evidently been studied.

All indications are that any scheme that may be laid down will be gauged to the estimated practical capacity of each existing plant, and of any future plants that may be established. In determining this capacity numerous considerations will apparently be taken into account, including past experience, present operations, equipment and other facilities, financial strength, credit standing, and reliability of management.

Taken in conjunction with other reports of the Mission's intentions, the scrutiny of financial status is significant. It is interpreted to mean that the British Government has no intention of financing, except indirectly and partially, the expansion of existing plants and necessary creation of new ones, particularly for assembly and test operations. There may be some allowance for depreciation or amortization of plant, as in the Bren machine gun contract, but there is not likely to be any capital outlay or direct subsidy.

On the surface, this would seem to favor the steel equipment companies that have expanded their scope to embrace aircraft production. Their diversified operations, past record and financial strength would enable them to manage the expansion of facilities without much difficulty, possibly without additional public financing. At the same time, terms of the cost-plus contracts will probably be sufficiently generous to justify, on a modest scale, any extra financing that may be needed.

There are factors that indicate British war plane production will

(Continued on page 2, col. 3)

# Highlights of the Week

**Greater centralization** of authority and responsibility in the national Government at Ottawa is seen as a possible solution of the Dominion-provincial tangle now occupying the attention of the Rowell Commission.

*Wider Power for Ottawa—p. 10.*

* * *

**Girl promoter** is a new feature of the Canadian mining world. Mrs. Viola MacMillan has prospected and staked her own claims. She clicked on a deal with Noranda and is understood to be one of Hallnor's largest individual shareholders.

*Women Mine-maker—p. 14.*

* * *

**Western farmers** will have between $35 millions and $40 millions to spend from the proceeds of this year's harvest after taking care of debt payments and other obligations, a survey by The Financial Post shows. The 80-cent minimum price set by the Government removed uncertainties in the business field.

*West Pays Dividends—p. 9.*

* * *

**Confusion** still persists behind opposition scenes in Alberta, a survey of the situation shows, following the placing of the Unity Council on a permanent basis.

*Behind Alberta's Unity—p. 9.*

**REGULAR FEATURES**

Banking .................................. 11
Bond Markets ............................ 5
Construction ............................. 6
Insurance ................................. 12
Investment Trends ...................... 4
Investors' Enquiries .................... 10
Pulp and Paper .......................... 8
Week in Business ........................ 7
Week in Mining .......................... 14
Week in Oils .............................. 15
Week in Wheat ........................... 13

MEN'S SHOP

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BAY STREET SECTION

EATON'S - COLLEGE STREET

## *Ottawa is Looking to Anticosti Island As Base for Defense*

(Continued from page 1)

largely because a short time ago a German syndicate surveyed the Island with a view to purchase because of its valuable stand of pulpwood. The usual war scares went [illegible]nds and both Premier Du[illegible]nd Prime Minister King took the expected patriotic stand on the matter saying that control of the Island would not be allowed to pass to foreign hands.

**Owned by Chocolate King**

Fifteen years ago the Island of Anticosti was practically unknown to the average Canadian. Up to 1926 it was the private domain of the French chocolate king, Senator Menier. Its 3,100 square miles were practically untouched by modern developments. At Port Menier, the French senator built an imposing chateau, where he entertained his friends during part of the year. Hunting and fishing were of the best (and are still) and as far as Canada was concerned, there was considerable doubt if the Dominion had sovereignty over the Island.

In the fall of 1926 the Island was bought from Senator Menier at a reported price of $7 millions. This was done through the Anticosti Corp., which was jointly controlled by St. Maurice Valley Corp., Wyagamack Pulp and Paper and Port Alfred Pulp and Paper. These companies eventually were absorbed by Canada Power and Paper and the latter in turn by Consolidated Paper.

**Financed on Romance**

The romance surrounding ownership of the Island; the fact that it contained about 15 million cords of pulpwood, and was one of the largest freehold pulpwood properties in the world; made it a comparatively simple matter to finance the purchase.

But it was not so simple to make it a commercial proposition. Pulpwood operations were attempted, but quickly abandoned when it was found that wood on the mainland, of just as good quality, could be cut and transported to the mill at about one third the cost. No figures have ever been released on the cost of producing pulpwood on Anticosti. It is understood that it costs around $29 a cord to lay the wood down at what is now one of Consolidated's mills.

Two reasons are given for the inability to develop Anticosti as a pulpwood producer. In the first place the Island is not particularly well adapted for logging operations. Secondly, if the wood is used in the corporation's own mills it would have to be transported 300 miles to Port Alfred, or 450 miles to Three Rivers.

Pulpwood operators are agreed that the Island has a valuable stand of timber. They also are agreed that until wood costs on the mainland are considerably higher, it is not economically feasible to develop Anticosti.

With the abandonment of operations Anticosti has been nothing but a white elephant to Consolidated Paper. The cost of maintaining the property is in excess of what little revenue is derived.

The machinery ashore and on the piers for handling wood is rusty and abandoned, but much of it could be put into shape at a price. There are still about 15 miles out of the original 28 miles of railway line running into the bush which could be extended to tap further supplies.

**Won't Sacrifice Property**

While Anticosti represents deadweight around the corporate neck of Consolidated Paper, the management has no intention of throwing it overboard. They hold the opinion that the pulpwood resources of the Island, being freehold, are potentially valuable and that the corporation will continue to carry the property until it gets a fair price.

Last year the German syndicate's negotiations for the sale of the Island were far advanced. However, when the Quebec and Dominion Governments adopted a critical attitude toward the deal, the sale fell through.

Since then there have been rumors that the deal had not been abandoned. These rumors arose because President L. J. Belnap had conferred with Premier Duplessis. However, the opposition continues and the deal is now regarded as being definitely off.

**Ottawa's Interest Limited**

The entry of the Dominion Government into the picture again draws attention to the possibility of Consolidated Paper liquidating its investment in Anticosti. If the Dominion decides to build an airport or naval base on the Island, there would seem to be no good reason why it should acquire more property than is actually needed. Thus, the sale of more than a few square miles is not to be expected.

The development of either Ellis Bay or Lake Plantin for defense purposes would be of value in the economic and social life of the Island, but would contribute little toward lessening the presently prohibitive costs of pulpwood operations.

## New Securities Ready Under N. S. Steel Plan

From Our Own Correspondent

MONTREAL.—Arrangements have been completed for exchange of securities as provided by reorganization plan of Nova Scotia Steel and Coal. Co.

Holders of present first mortgage bonds will receive an equivalent amount of new 25-year 3½% first mortgage bonds and one share of Dominion Steel and Coal Corp. class B stock for each $100 principal amount of bonds.

Debenture holders will receive three class A shares of Dosco for each $100 principal amount of debentures.

Preferred shareholders receive one class B share of Dosco for each Nova Scotia Steel share now held.

### *SCHOOLS AND COLLEGES*

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ST. ANDREW'S COLLEGE · AURORA, ONT. · FOUNDED 1899

# The Nation's Business

(Continued from page 1)

under Mr. Murray, make clear the policy of this country to hold its place in world wheat markets by competitive selling. Any other policy, even if established in the hope of avoiding losses to the treasury, would be fatal to the interests of the western wheat grower, and in the long run exceedingly harmful to those of Canada as a whole.

• • •

### Britain's Role in Armageddon

WRITING from London, for his daily column in the N. Y. Herald-Tribune, Walter Lippmann makes a most able plea for better understanding of Britain's rôle in the present European crisis.

Britain, he says, is confronted with "the supremely great issue" as to whether there is room in the same world both for the British civilization and the Nazi philosophy. He suggests that only on three previous occasions—the time of the Spanish armada, the time of Napoleon and in 1914—have British possessions, their position in the world and their ideals been challenged so fundamentally.

What must be avoided is mistaking the British policy of the moment for the "fixed and final conviction." Britain has no illusions as to the gravity and significance of the situation. But to assume that because she seeks to avoid decisive issues that she will never reach a decision is to "misread the real thoughts of the men who will in the end decide Britain's destiny."

For the moment Britain has refused "to prejudice Hitler's ultimate purposes." She is studying him as she studied Napoleon. She has reached a point, in Mr. Lippmann's view, where "though they still give him the benefit of every doubt, the margin of their doubts is getting very thin."

"We are so used to seeing the fate of nations decided by the arbitrary impulses of a single man that we have almost forgotten what happens when a free people goes through the agonizing process of making up its mind. Agonizing process is now under way in Britain and it is likely to prove to be the most momentous occurrence in history."

• • •

MR. LIPPMANN warns that to believe the British ruling class has made up its mind to give Hitler a free hand for the conquest of central and eastern Europe "is perhaps the most dangerous delusion now current in this feverishly deluded world."

For Berlin to hold such views may lead the Germans to make once more the tragic error of Bethmann-Hollweg in 1914, when he too believed "that Britain was divided, was pacifist and would not intervene with full force in a quarrel originating in a little Slav state in central Europe."

• • •

### World Trade Prospects

IN THE past twelve months Canada's foreign trade has slumped 28%. The value of world trade is down 30% from the peak level of 1937.

What are the prospects for recovery?

Recent action of stock and commodity markets on this continent seems to have called the turn. Is it the real thing or just a pause in a downward cyclical trend?

Certainly there has been a sharp reversal in sentiment since early July, but most observers still have their fingers crossed.

Typical is the third quarter forecast of "Business Barometer" published quarterly by the Federation of British Industries. Rated as one of the shrewdest of the international commentators it says:

> "The recent technical recovery in commodity and stock markets and the prospects of renewed activity in the U.S.A. following President Roosevelt's second 'pump-priming' programme have imparted a much-needed stimulus to confidence.
>
> "This is to be welcomed, provided it is recognized as an interruption only of the underlying cyclical trend and not mistaken for real recovery."

Most American commentators are somewhat more optimistic. Business Week in its current issue points to the consistent upturn in one after the other of the business indexes and suggests that "a continuance of recovery seems more and more probable."

• • •

EVEN the conservative London Economist, while admitting that this is the worst season of the year to attempt economic assessments of the future, is cheered by the fact that its index of British business activity turned upward in June. It had been dropping steadily since last September.

Though it admits much can happen before October, it expects fair recovery in the autumn if the downward spiral has really been halted in Britain and U.S.A. It feels "cautious optimism" can replace pessimism.

No country is more concerned with the way these international trade straws blow in the next few weeks than Canada. No country is in a better position to benefit if world trade recovery is again under way.

• • •

### Problems Before the Rowell Probe

THE Rowell Commission made newspaper headlines all winter but does not even get mentioned in the inside pages now.

Nevertheless, the real work of the commission is still being done. Briefs presented by governments and associations all over Canada are being analyzed. Special reports are being drafted for the commissioners by authorities on public finance, constitutional problems and similar subjects. The commissioners are endeavoring to digest the mass of evidence they took.

It is unfortunate that the commission has not at this stage the benefit of the long experience in public life and the sound business judgment of their chairman, Mr. Rowell, who is ill and is unlikely to participate further in the work of the commission.

Just what effect this will have on the ultimate report remains to be seen.

The Montreal Gazette goes so far as to say that the commission cannot continue to function satisfactorily in Mr. Rowell's absence. It suggests that if there is to be a report at all it should be confined to a summary of the facts with perhaps no formal report at all.

But the public hearings and private studies of the commission have been of such a nature that to abandon the work of this body even for so grievous a loss as the services of its chairman, is unthinkable. Even if some change in personnel is necessary the work must be brought to a satisfactory and tangible conclusion.

• • •

WHILE the process of analyzing the briefs goes on officially at Ottawa, The Financial Post is doing a similar job for its readers. The Post reported all of the briefs as they were presented. Now it is discussing the problems before the commission by individual subjects, outlining the various points of view expressed and endeavoring to weigh the proposals made.

The articles are being written by the member of our staff who accompanied the commission on most of its tour throughout Canada and who had the benefit of soaking himself in the atmsophere as well as the factual material in the various briefs.

These articles are appearing weekly.

## *Air Mission Believed Ready For Business Will Meet This Week*

(Continued from page 1)

have to evolve gradually and at first on a limited basis. One is the question of skilled labor supply. Another is lack of Canadian sources of such important requirements as aircraft engines, instruments, special steel tubing for airframes, aluminum alloy sheets for metal skin planes. Such requirements must be imported at present. For large scale production of big military aircraft within a comparatively short period—say, one to three years—creation of an adequate supply of skilled labor and of secondary industries supplying materials now imported, would be beyond practical possibility.

It is estimated that production of 1,000 big planes would give employment to 10,000 workers on an annual basis, assuming plants, equipment and materials were available. Present employment in the Canadian aircraft industry is little more than 1,000 persons. Even allowing for training of additional skilled help, output of that many planes in Canada would have to be spread over five years or more; or smaller orders placed at intervals several years apart.

Members of the Mission have not denied, however, reports that their interest is not confined to the general object of gearing Canadian industry to produce British war planes. Their investigations indicate a hope of substantial increase in skilled aircraft labor forces and development of secondary industries making Canada more or less self-sufficient in aircraft production. Obviously no great dependence could be placed on an emergency reserve for aircraft production if supplies came from foreign sources and were in danger of being cut off.

**Safety From Raids**

The plan to develop Canada as an aircraft production centre is predicated on assumption that Canada is far enough from Europe and Asia to be safe from bombing raids such as might cripple British plants. In Some Canadian quarters this confidence is not shared, and fear expressed that development of Canada as an "arsenal of Empire" might make it a particular object of enemy air raids.

Current activity of the Mission would indicate that such fears are discounted by British air authorities. As far as The Financial Post can learn, it is anticipated that some years will elapse before bombers will be developed with a cruising range and speed sufficient to carry them both to and from Canada on air raids. At present, a big bomber from Europe might negotiate the trip to Canada, but would have difficulty returning to its base or even to an aircraft carrier, without landing to refuel.

On the other hand, the bombers to be built here for Britain are to be able to fly to England if necessary in an emergency. This will not only give Britain an important reserve of air strength in case of future emergency but should have a valuable political and psychological effect in restraining war-minded rulers of foreign nations.

All reports on the Mission's plans to date have agreed that any orders placed will be for long range bombers of considerable size. Light on the specific type of plane to be ordered is embodied in the following report in the Stock Exchange Gazette (London):

> "The type which the British Government has in mind to be manufactured is believed to be either the 'Wellesley' long range bomber, which took part in the record-breaking formation flight of 4,300 miles to Egypt, or the Handley Page 'Hampden.' The former is manufactured by the aviation department of Vickers Ltd., which is the reason why the shares of the associated company in Canada, Canadian Vickers, have been an active feature. The 'Hampden' is produced by Handley Page, Ltd., and Mr. Handley Page is to be a member of the Mission."

## Where is Sterling Exchange Headed?

(Continued from page 1)

the Anglo-United States trade treaty. There is an unfavorable balance of trade as between the sterling bloc and the United States. This heavy United States export balance is regarded in London, it is stated, as being due to too cheap a dollar. The attitude of the United States has changed in this regard from what it was two years ago. It will be recalled that in 1936 there were rumors that the United Kingdom wished to see the pound set at about $4.40 but the United States held out for the former parity. Over a year ago, however, President Roosevelt stated that he would no longer object to the old sterling dollar parity or even to a still lower pound.

**British War Debts**

Payment of the British war debt is also mentioned as a consideration behind the move. This is a factor which should not be overlooked. Relations between the two countries have been increasingly friendly but there is the war debt sore spot.

Yet another theory is that Britain is anxious to help move large stocks of gold in the United States. In a surprise move last week when the pound was falling and the price of gold rising, the Exchange Equalization Fund refused to make gold available at any price. This action not only helped to prevent any heavy movement of gold from London to New York, but it enabled the United States to bear part of the burden of supplying the heavy demand for gold.

## Acadia Apts. Pays Interest Coupon

### Company Plans to Reorganize Before Bonds Mature

From Our Own Correspondent

MONTREAL. — Annual report of Acadia Apartments Ltd. for the year ended April 30 last shows no material change in revenues. Net loss at $51,817, after providing for bond interest and depreciation, is about the same as in the previous year.

Announcement is made in the report that a plan of reorganization will be submitted to bondholders prior to maturity of the first mortgage bonds on Sept. 1, 1939.

On Sept. 1 next, the company will pay the interest coupon on the first mortgage bonds due March 1, 1935. Interest on the coupon itself, for the period during which it remained unpaid, is not being provided. The company expects to have approximately $52,000 cash on hand by the end of August. On April 30 last, it had cash of $48,058. All taxes have been paid.

Accrued interest on the first mortgage bonds amounts to $189,927 and on the general mortgage bonds to $71,312.

**Income and Surplus Account**
**Years Ended April 30**

| | 1938 $ | 1937 $ |
|---|---|---|
| Revenue from rentals | 84,000 | 83,300 |
| Int. on investments | 458 | 458 |
| Misc. interest | 111 | 294 |
| Gross revenue | 84,569 | 84,052 |
| Less: Oper. exps. | 51,589 | 51,119 |
| Net income | 32,980 | 32,933 |
| Less: 1st mtge. int. | 51,798 | 51,798 |
| General mtge. int. | 10,500 | 10,500 |
| Depreciation | 22,553 | 22,553 |
| Loss for year | 51,871 | 51,918 |
| Add: Prev. deficit | 343,868 | 291,950 |
| Deficit forward | 395,739 | 343,868 |

## Malartic Gold Fields Extends No. 7 Ore Zone

Diamond drilling to the east has extended the No. 7 ore zone of Malartic Gold Fields to a length of 2,020 ft., according to a report of J. P. Norrie. This zone now averages $11 per ton across a width of 8 ft. The latest hole completed returned a value of $4.05 per ton for 7 ft., for the most important section in the hole.

## Prince Rupert Lumber Pulp Plans Advance

From Our Own Correspondent

MONTREAL. — Prince Rupert Lumber, Pulp and Paper Mills Ltd. is reported to have plans under way for a large sulphate pulp mill near Prince Rupert, B.C., which consists of several one-and multi-story units, with power plant, pumping station, machine shop and other mechanical departments. Work is scheduled to begin early in the fall and the capital outlay is estimated at $1 million.

## Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES PROVINCIAL AND DOMINION GOVERNMENTS

| Municipal— | Date Issued | Sold to | Rate | Due | Amount | Price | Yield |
|---|---|---|---|---|---|---|---|
| Creston, B.C. | Aug. | O'Kanagan Investment Co. | 5% | .... | $56,000 | .... | .... |
| Amos, P.Q. | June | Anglo-Francais | 5% | 1958-62 | 40,000 | .... | .... |
| Provincial— | | | | | | | |
| Saskatchewan | July | Privately | 4% | 1940 | 1,478,000 | .... | .... |

## Investors' Index

**INDUSTRIALS AND UTILITIES**

| | |
|---|---|
| Acadia Apts. | 2 |
| Agnew-Surpass | 3 |
| B. A. Oil | 4 |
| Bay Adelaide | 10 |
| B. C. Power | 8 |
| Beauharnois | 4 |
| Bell Telephone | 8 |
| Bldg. Products | 10 |
| Buckerfield's | 10 |
| Burry Biscuit | 4 |
| Canada & Dom. | 3 |
| Can. Celanese | 13 |
| Candn. Pacific | 1 |
| Can. Foundry | 10 |
| Can. F.-Morse | 4 |
| Can. Nat. Rlys. | 8 |
| Can. North. Pr. | 8 |
| Can. Malting | 10 |
| Can. Steamships | 1 |
| Capilano Brew. | 3 |
| Cub Aircraft | 3 |
| Colonial Steam. | 10 |
| Consol. Paper | 1 |
| Clarendon Apts. | 5 |
| Collingw'd Ter. | 9 |
| Distil.-Seagrams | 7 |
| Dom. Stores | 4 |
| Dom.-Scottish | 4 |
| Dosco | 1 |
| Drug Trading | 8 |
| Electrolux Corp. | 3 |
| Eastern Steel | 4 |
| Fanny Farmer | 10 |
| Famous Players | 4 |
| Gatineau Pwr. | 3, 10 |
| Gatineau Pwr. | 10 |
| George Weston | 1 |
| Goderich Elev. | 9 |
| Guardian Trust | 2 |
| Hodgson & Co. | 5 |
| Humberstone | 7 |
| Indepen. Biscuit | 10 |
| Inter. Hydro | 10 |
| Inter. Rly. Co. | 8 |
| Insurance Exch. | 11 |
| Inter-State Rlty | 4 |
| Indust. Accept. | 4 |
| John Labatt | 8 |
| Jamaica P. S. | 4 |
| Loblaw Inc. | 2 |
| Loblaw | 10 |
| Montreal Pwr. | 2, 10 |
| M. & O. Paper | 4 |
| Northern Tel. | 10 |
| N. B. Telephone | 8 |
| Nat. Steel Car | 1 |
| Noorduyn Aviat. | 5 |
| N. S. Steel | 2 |
| Perth Brewery | 10 |
| Pr. Rupert Lum. | 2 |
| Rogers-Majestic | 4 |
| Shell Oil of Can. | 4 |
| St. John D. Dock | 5 |
| Third Can. G. T. | 4 |
| United Gas & F. | 4 |
| Union Gas | 3 |
| Wood, Alex. | 4 |
| Westminster P. | 8 |
| Winnipeg Cold S. | 8 |
| Wisconsin Cent. | 10 |
| York Knitting | 7 |
| Zellers | 4 |

**MINES AND OILS**

| | |
|---|---|
| Anaconda Oil | 15 |
| Agawa | 15 |
| Argosy | 15 |
| Arjon | 15 |
| Astoria Que. | 15 |
| Anglo-Candn. | 15 |
| Augite Porc. | 15 |
| Aldermac | 8 |
| Algoma Summit | 14 |
| Acorn Min. | 14 |
| Battery Gold | 14 |
| Baghdad Lard. | 14 |
| Bounty Yellow. | 15 |
| Bronian Porc. | 15 |
| Brown Oil | 15 |
| Bidgood | 15 |
| Buffalo Ank. | 15 |
| Bralorne | 15 |
| Cycle Yellow. | 14 |
| Credo Porc. | 15 |
| Canty Gold | 15 |
| Central Cad. | 15 |
| Chan Yellow. | 15 |
| Cariboo Gold | 15 |
| Dome | 15 |
| Denison N. | 13, 15 |
| Doreva | 15 |
| Eldorado | 15 |
| East Rouyn | 15 |
| Elmos | 15 |
| East Malartic | 15 |
| East Malartic | 13, 14 |
| Frood | 15 |
| Faulkenham | 15 |
| Fairview Amal. | 15 |
| Golden Gate | 15 |
| Hudson Bay | 14 |
| Int. Nickel | 1, 14 |
| Island Mount. | 15 |
| Jellicoe Cons. | 15 |
| J-M Consol. | 14 |
| Kerr-Addison | 15 |
| Laguna | 15 |
| Lapa Cadillac | 15 |
| Morris Kirk. | 15 |
| Martin-Bird | 15 |
| Montague | 15 |
| McWatters | 15 |
| New Ribago | 13 |
| Noranda | 5 |
| Northern Empire | 15 |
| Normetal | 15 |
| Paymaster | 15 |
| Perron | 13, 15 |
| Pioneer | 15 |
| Placer Devel. | 4 |
| Rahn Lake | 15 |
| Reward Mining | 15 |
| Roche Long L. | 15 |
| St. Anthony | 14 |
| Straw Lake | 14 |
| South Malartic | 13 |
| Seguin Cons. | 14 |
| Sand River | 15 |
| Sheep Creek | 15 |
| Sigma | 15 |
| Siscoe | 15 |
| Sturgeon River | 15 |
| Thompson Cad. | 15 |
| Thompson Cad. | 14 |
| Trout Creek | 14 |
| Uchi Lake | 14 |
| Ward Lake | 15 |
| Wood Cadillac | 15 |
| Wendigo | 15 |
| Ward Lake | 14 |

**QUOTATIONS**

| | |
|---|---|
| Bonds | 12, 13 |
| Grain | 13 |
| Industrials | 12 |
| Mines & Oils | 12 |
| Foreign Exchange | 7 |

## Montreal Power Dickers With City

From Our Own Correspondent

MONTREAL. — Montreal Light Heat and Power Consolidated has refused to accept the terms of a draft agreement covering the Montreal municipal power supply. There is a possibility that the matter will be taken to the Quebec Electricity Commission if the city and the company are unable to reach an agreement.

For several years the power company has been supplying municipal services under a temporary arrangement. Formerly the city arranged for its power supply under a five-year contract.

**Cut Bill in Half**

The proposed agreement cuts into about half the annual $1 million bill which the city pays for municipal power for street lighting, illumination of public buildings, operation of pumping stations and other municipal purposes.

## *New Credit Terms Made With Hearst On Newsprint Sale*

(Continued from page 1)

volume of business carried by his papers, in common with other publishers in the States, has declined. The percentage of decline will not be publicly known for some time.

Of even greater importance is that over the past year Canadian companies permitted Hearst to pile up reserves of paper far in excess of normal requirements. As recently as last January and before credit arrangements were made with the banks, one Canadian company is reported to have been shipping paper to be added to the Hearst reserve.

For a time Hearst's financial difficulties caused uneasiness among the Canadian newsprint operators affected. Inability to pay would have placed some of them in a very difficult position.

**Industry is Strengthened**

The financial end has been straightened out. This is of the greatest immediate importance. Looking to the future, Canadian companies have put themselves in a position where their marketing problems should be simplified. They have co-operated with the Hearst group in a difficult period. Even if this co-operative attitude is not recognized in future dealings, it will be many years before the Hearst buying organization can regain its influence in the newsprint market.

Generally the belief is held that the clipping of Hearst's wings is a strengthening factor for the Canadian industry. The only other large buyer which has attempted to influence marketing policies is the Scripps-Howard chain. Both Scripps-Howard and Hearst have followed the same tactics in their buying and the elimination of Hearst from the field should greatly strengthen the Canadian operators' ability to stabilize the market, maintain the present price and, when necessary, adjust the price to meet current developments.

No details are available at present as to how long the present credit arrangements will prevail. It is understood that the current arrangement has no particular time limit. On the other hand, it is said that the present banking accommodation will be extended until the Hearst newspaper chain has re-established its liquid position, at which time it will be possible to do further public financing.

## Guardian Trust Co. Enlarging Head Office

From Our Own Correspondent

MONTREAL. — Rebuilding and alteration of the Guardian Trust Co.'s head office building in Montreal has begun. The work involves an addition of three floors and an entirely new front.

According to the plans for the work, the job will cost in the neighborhood of $100,000 under the direction of Foundation Co. of Canada.

The building was originally constructed with a foundation to bear the stress of the extra weight of later additions. Office forces inside the building will occupy the office space during operations.

A Valuable ALLY in your business at home or abroad.

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Offices in LONDON, NEW YORK, CHICAGO, SAN FRANCISCO and NEWFOUNDLAND

BANK OF MONTREAL
ESTABLISHED 1817
MODERN, EXPERIENCED BANKING SERVICE
the outcome of 120 years' successful operation
TOTAL ASSETS OVER $800,000,000

## New Books . .

### Europe and British Policy

**BRITAIN AND THE DICTATORS.** By R. W. Seton-Watson. Published by Macmillan Company of Canada, Toronto. Price $4.

Foremost among the interpreters of present-day history is R. W. Seton-Watson. Professor of Central European History in the University of London, he has lived many of the events of which he writes, as a member of Northcliffe's propaganda office and as an adviser of Masaryk and Benes. His "Britain in Europe" was a vividly revealing interpretation of the development of Britain's policy in foreign affairs. Now he has seen the necessity of extending his interpretation to deal more intimately with the post-war period and particularly recent critical times. The result is "Britain and the Dictators."

To read Seton-Watson is to understand both the Churchill and the Chamberlain viewpoint, to see how unavoidable have been many of the apparent inconsistencies in Britain's policy toward Germany, Italy and France and see, too, how bitter are the consequences of some of Britain's mistakes.

Prof. Seton-Watson reads the record of history to answer those who would keep Britain clear of all European entanglements. He shows that such a policy is impractical, that it would mean Britain's encirclement by an armed ring of allied enemies. The clear implication of his volume is that since Britain cannot stay out of Europe she had best throw her weight firmly into the scales for peace, making use of all available instruments, including that of collective security.

The record of such crises as the coming of Hitler, the Abyssinian war, the little world war in Spain and the German annexation of Austria is written in an attractive and fascinating manner. Yet throughout Prof. Seton-Watson remains the scholarly historian.

## Newfoundland to Bonus Clearing of Woodland

As a further step in its rehabilitation programme, the Commission Government of Newfoundland has announced it will bonus the clearing of woodland suitable for pasture. The scheme provides for payment of $10 an acre when the land has been cleared and an additional $5 an acre when grass has been established on the area.

The scheme is on a community basis. Applications will be considered only in respect of settlements from which 10 or more farmers apply. Each area must be enclosed by a fence and no bonus will be paid on areas less than two acres.

According to an announcement by H. K. MacCharles, director of agriculture, the scheme is intended chiefly for those areas where livestock is the chief source of revenue.

## *Higher Volume Expected in Mail Order Business As Result of New Crop*

(Continued from page 1)

ditions are not noticeably better than last year, and mail order volume about the same as last year is expected.

**U. S. Outlook**

Price reduction on staple textile lines also features the recently issued Fall-Winter catalogues of the two leading mail order firms in the United States—Sears, Roebuck & Co. and Montgomery, Ward & Co. In the Sears catalogue, the general average of prices is about 8% below those in the 1937 fall catalogue, and 2% below the last spring book. But the price cuts run up to 27% on cotton piece goods. The price trend of the Montgomery Ward catalogue is broadly competitive with that set by Sears, Roebuck.

In contrast to the lack of any general price change in the Canadian catalogues, however, the American firms have extended their reductions to lines other than staple textiles, including a 2% cut on jewellery lines.

The U. S. concerns are also having the Canadian experience of more business in urban centres.

## Nugold Mining Corp. To Produce Aug. 15

Nugold Mining Corporation is scheduled to commence production Aug. 15, at its Blockhouse Dome property. The mill flow sheet has been redesigned with provision for either flotation of cyanide equipment as required and the power plant has been enlarged.

The main shaft in the Prest vein has been sunk 300 ft. and is being continued to 500 ft., it is stated. A length of 450 ft. has been opened up at the third level with values reported to run ounces of gold per ton.

Based on mill heads, officials anticipate rather high mill heads with costs of $5 per ton or below.

## Bleached Pulp Exports Lower in First Quarter

From Our Own Correspondent

MONTREAL. — Shipments of bleached sulphite pulp from Canada during the first quarter of 1938 totalled only 63,764 tons, against 93,151 tons for the same period in 1937. The largest decrease was in exports to the United States which dropped from 81,102 tons one year ago to 37,439 tons during the current year. Shipments to the United Kingdom during the same period rose from 6,386 tons to 12,479 tons and to Japan from 2,466 tons to 9,415 tons.

**Amos, Que.**

From Our Own Correspondent

MONTREAL. — Credit Anglo-Française Ltée has been awarded a Town of Amos, P.Q., $40,000 5% bond issue. The bonds mature 1958/62.

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# London Calling

### by Atticus

## Columnist Reviews Record of British Cabinet Finds a Lot of Life Left in the Government

SIR KINGSLEY WOOD

W. S. MORRISON

LONDON.—It is almost impossible to refrain from writing "The tumult and the shouting dies" on this particular anniversary each year. Yet it would be an accurate description of the last days of the Parliamentary Session. In fact a peace which almost passeth understanding has characterized the debates of the last fortnight. Even in foreign affairs the differences were largely artificial and kept up more for the purpose of debate than cleansing the bosom of much perilous stuff.

Nowhere did this feeling find happier expression than in the tribute paid to the Prime Minister by Sir Archibald Sinclair.

Sir Archibald opened the debate on foreign affairs and as usual reduced the issues to a simplicity that made one wonder at the obstinateness of mankind, especially foreigners. The debonair Leader of the Opposition Liberals is never in doubt. If Italy gives trouble we should close the Suez Canal. If Japan becomes insolent we should threaten her with a gunboat from the Yangste. As for attacks in Spanish waters we should exact a ship for a ship and send a Franco cruiser to the bottom for every British merchantman that is sunk.

In spite of this devastating clarity of vision, Sir Archibald never tries to be superior. His trim appearance which centres in his bow tie, his charming smile and his engaging youthfulness always make me feel as if David Copperfield has somehow contrived to reach Westminster.

In his speech on Tuesday the Liberal Leader was as usual stripping the problem of foreign affairs to an almost indecent simplicity when he stopped and leaned forward toward the Prime Minister. With a moving sincerity he said:

"I am sure the thought uppermost in the mind of the Prime Minister—whose courage and industry in shouldering this heavy burden of responsibility we all admire however much we dissent from his policy—is the preservation of peace."

Mr. Chamberlain looked up, obviously startled by the change of voice and the kindliness of the words. There was no time for him to assume the unemotional manner which so often hides the real gentleness and warmth of his nature. He covered his face with his hands and did not look up for almost a full minute. When finally he took his hands away and looked across the Treasury table his face showed signs of the emotion which had affected him so deeply.

While nothing could have been more generous or spontaneous than Sir Archibald Sinclair's tribute I believe that it unwittingly robbed the Premier's subsequent speech of some of its Parliamentary effectiveness. When a small group of Socialists, unsupported by their colleagues, shouted derisively at Mr. Chamberlain he did not wither them as is his custom. He seemed hurt and puzzled at their unwillingness to listen. He was in no mood for the knock-about of debate and for the first time showed signs of the burden which he has carried so brilliantly and uncomplainingly.

Afterward in the lobbies a supporter of Mr. Chamberlain said to me: "A Prime Minister's job is made almost impossible by two kinds of people—his critics and his friends. The first try to harass and obstruct him. The second give him public dinners, freedom of cities or university degrees. They sap what is left of his strength after politics. A Prime Minister is always under a strain when he is facing a crowd. Even if the 'P.M.' had no political duties the number of his other engagements would tire even a younger man."

I put those comments forward in the belief that they express the opinions of many of Mr. Chamberlain's followers in the House.

* * *

### How They Did

As we shall not have occasion after this week to deal with the Sixth form boys on the Front Bench for some time I suggest that we indulge in the license of ink and review some of their performances during the session.

Sir Samuel Hoare has been a great success at the Home Office. If he has never recovered the level of his prestige before he tried to stop the Abyssinian War (without giving adequate notice to the idealists and sentimentalists) he has won admiration for his prison reforms. The warmth with which his plans have been received have unthawed the Home Secretary. No longer do his phrases sound like icicles. He has learned to smile again and has abandoned his former inscrutability. One might almost say in justification of his Abyssinian fall that sorrow has struck a note of music in his breast.

Sir John Simon emerges from his first term as Chancellor of the Exchequer without a hair displaced or a blot upon his copy book save his heroic, unselfish and wholly unconvincing attempt to make the House believe that he liked Mr. Chamberlain's original profits tax. However, all men are entitled to their pet heroisms and this was indeed a noble action. Sir John inspires respect even more than affection. His mind is as incapable of incoherency as his body of fatigue. Perhaps if his emotions occasionally clouded his speech we would be willing to believe him a mortal like ourselves. As a golf partner he has all the virtues and failings which endear a man to men but as a Minister he remains the perfect thinking machine, a visitor from Mars who will return there when there are no more earthly problems to unravel. His speech on the last day of the Finance Bill was the best he has made for years.

* * *

### Inexorable Success

Sir Kingsley Wood is an inexorable success. He does not indulge in rolling phrase nor spear the truth with caustic thrust but he gets things done swiftly and cheerfully. In private Sir. Kingsley is a serious and modest man. When he speaks in public he is like a high spirited cherub. He knows that Nature never intended him to play the rôle of the weary Titan and he never tries. Nor does he, like a professional strong man, groan when he lifts the weights. He merely picks them up and tosses them into the wings like an acrobat's handkerchief. In Germany they think that "Sir Kingsley Wood" will produce an irresistible air force. I wouldn't be surprised.

Mr. Oliver Stanley has had a strenuous year. The Cinema Bill, the Coal Bill and the Anglo-American Trade Treaty would test any Minister to the uttermost. Mr. Stanley has a first rate brain. If it lacks the suavity of Sir John Simon's approach to a problem it has just as much clarity. Unfortunately Oliver Stanley does not suffer fools gladly whereas Simon is always kind to them. Stanley cannot understand why everyone does not realize at once that two and two make four. If you ask him what two cabbages and two moons make he becomes impatient.

On the other hand, he pays the House the compliment of knowing his subject to the last line before he rises to speak. It is not safe to rule Lord Derby's younger son out of the Prime Ministerial Stakes but I sometimes doubt if politics are really in his blood. Unfortunately he has a grand place in Westmoreland where from the terraces one can look 20 miles without a dwelling to mar the landscape until the eye fastens on a narrow gleam of water where the sea thrusts inland. He loves it so much that he makes the four hour train journey every Friday night. It is difficult when a man's soul is caught between a house in the country and the House at Westminster.

* * *

### Bagpipes for Recreation

Mr. W. S. Morrison refuses to be beaten by agriculture. His youthful grey hair has lost none of its wiriness and his Scottish accent still carves the English language like a scythe. He knows that any Minister of Agriculture must fight a war of attrition and that spectacular victories are not to be had for the asking. For recreation he plays both the violin and the bagpipes. It is said that since going to the Board of Agriculture he plays the bagpipes with a ferocity seldom heard even in the Highlands.

Mr. Ernest Brown does his job in Parliament so well that one is almost inclined to underestimate his success. With the Socialists as the official Opposition, the Minister of Labor must always occupy the most vulnerable point in the front line. Unemployment relief and the Means Test are subjects on which the Labor members are naturally if unhappily only too well informed. Yet that muscular Christian, former rugger player and outdoor orator, Ernest Brown, has so perfected his own knowledge of these things that the Opposition can do nothing with him. In fact when he is in charge of a debate it rather reminds one of a porcupine complete with quills surrounded by dogs that walk warily around it without daring to come in.

Mr. Brown is improving greatly as a speaker. He is still too fast but not only does he quote with good effect from the Classics but he created one of the finest sentences of the session when he said the other day: "There is not a cottage window today that does not look out on the world."

* * *

### Humpty Dumpty Up Again

Alas! There is no space to go right through the team but Mr. Hore-Belisha can never be left out. Like Humpty Dumpty he took a great fall in the Sandys affair but, being in charge of all the King's horses and all the King's men, he ordered them to put him up again—which they did. His plans for the democratizing of the army, revealed on Thursday, showed courage and imagination. Hore-Belisha's stock is not exactly a trustee security but I would not like to sell it short.

Finally one must include Lord Halifax even if he holds forth in another place. His reputation has grown quietly but securely. He does not attract the lightning nor stir the public fancy to a frenzy. Neither does he dramatize himself nor make the mistake of a famous elder statesman of whom it was said that he regarded world events as mere incidents in his own life. Lord Halifax believes that there is a lot of decency in human nature and that much of the evils of the world come from lack of understanding. One does not need to disparage any of the fine work of his predecessor in saying that the name of Halifax is held in the greatest respect in every country in Europe.

One hears from time to time that this is an indifferent Cabinet and that the standard of ability is far below that of other days. I would not say that they are all giants but when one reviews them in the retrospect of the session the effect is imposing. All governments are born to die but this one has a good deal of life in it still.

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# Gatineau Co. Pays Dividend

## Position of International Hydro-Electric System Improved

**From Our Own Correspondent**

MONTREAL. — Gatineau Power Co. has declared an initial quarterly dividend on its new common stock of 20 cents a share. The dividend is payable Sept. 15 to shareholders of record August 20.

Declaration of the dividend was expected in view of earnings of the company. Last year the company earned 64 cents a share on its common stock, but no dividends were paid. Earnings this year will be higher, net profit in the first quarter being equivalent to 22 cents a share.

Several factors are contributing to the higher earnings in 1938. There will be additional revenue from the company's contract with the Hydro-Electric Power Commission of Ontario. It is also benefitting from amalgamation of Canadian Hydro-Electric Corp. with Gatineau and from refunding of the company's debentures.

### Inter. Hydro-Electric System

Declaration of the dividend improves the outlook for International Hydro-Electric System. This is reflected in the recent advance recorded by International Hydro-Electric 6% debentures.

Earnings of International Hydro-Electric System in recent years have not been sufficient to cover debenture interest. Last year there was a net loss after all charges of slightly over $1 million. International Hydro-Electric holds 1,439,020 common shares of Gatineau Power so that the loss should be eliminated in the future by income received from Gatineau.

According to the dividend announcement, directors of Gatineau Power will meet regularly each quarter. Meetings will be held the first Thursday of February, May, August and November.

# Electrolux Corp. Earnings Decline

**From Our Own Correspondent**

MONTREAL.—Earnings of Electrolux Corp. in the three months ended June 30 were lower than in the same period last year. Net profit amounted to $543,458, equivalent to 44 cents a share. This compares with profit of $843,867, equal to 68 cents a share in the same period of 1937.

For the first half of the year net profit amounted to $1,211,705, equivalent to 98 cents a share. This is after all charges, including income taxes and certain expenses and reserves in connection with liquidation of subsidiary and provision for surtax on undistributed profits. In the first six months of 1937, net profit amounted to $1,612,236, equivalent to $1.30 a share.

# Union Gas Profit Down in Quarter

## Earnings of $173,668 Compare With $240,998 for 1937 Period

Earnings of Union Gas Co. and its wholly owned subsidiaries, City Gas Co. of London and Windsor Gas Co., amounted to $173,668 for the first three months of the fiscal year, after all charges, excepting income taxes, as against $240,998 for a similar period in 1937, and $126,411 in 1936. The company's year ends Mar. 31.

Unusually mild weather in March and April, which caused a substantial reduction in the house heating load, is held responsible by the company for the decrease in the interim earnings.

The largest proportion of earnings accrue during the winter months when heating loads are at their highest. Net profit for the 1937 fiscal year totalled $926,910, after income taxes, as against $700,614 in 1936. For the past three 12-month periods ended June 30, net profits before income taxes have been: 1938, $1,028,196; 1937, $930,186, and 1936, $486,194.

# Loblaw Inc. Reorganization Plan Postponed to October

Annual meeting of Loblaw Groceterias Inc. was postponed to Aug. 26, at a meeting of shareholders at Buffalo, N.Y., on Aug. 5.

A plan of reorganization to liquidate arrears on the company's preferred shares will be ready for presentation at the annual meeting on Aug. 26.

Dividends have been paid on the preferred shares to April 30, 1930, after a total of $7 was paid on the 31,851 $7 preferred stock, of no par value outstanding during the fiscal year ended April 30, 1938.

# Cub Aircraft Financing Expansion of Facilities

Shares of Cub Aircraft Corp., Hamilton, Ont., are being offered by Hansell & Co., to supply funds for expansion of manufacturing facilities, to pay current debts and provide working capital.

Authorized capital of the company consists of 7,500 6% redeemable cumulative preference shares of $25 par value and 80,000 shares of no par value common stock. There are 65,796 shares of common stock outstanding and 443 shares of preference stock. 65,000 common shares are held in escrow, as well as 180 preference.

The company took over the assets and liabilities of Cub Aircraft Ltd. for 180 preference shares and 65,000 common shares.

# Agnew-Surp. Profits Higher

## Earns $1.13 a Share on Common in Year Ended May 31

**From Our Own Correspondent**

MONTREAL.—For the fiscal year ended May 31 last, Agnew-Surpass Shoe Stores reports highest earnings since the 1929-30 fiscal period. Net profit for the year amounted to $160,114. This is equivalent to $1.13 a share on the common stock, compared with $1.03 a share in the previous year.

Share earnings are calculated on the total issued capital of 10,000 preferred shares and 80,000 common shares. No deduction is made for the 1,238 preferred shares and 375 common shares held by a subsidiary company.

Sales for the year totalled $2,862,944 as against $2,630,979 in the year ended May 31, 1937.

Working capital shows an increase of $28,024 to $1,090,760. Fixed assets increased $19,757. After deducting depreciation of $279,363, fixed assets are carried in the balance sheet at $400,868.

During the year six new stores were opened, bringing the number of stores in operation to 80.

**Cons. Income & Surplus Account**
**Years Ended May 31**

| | 1938<br>$ | 1937<br>$ |
|---|---|---|
| Sales | 2,869,944 | 2,630,979 |
| Net oper. profit | 273,191 | 272,364 |
| Add: Inc. from invest. | ...... | 1,430 |
| Misc. adjustments | 2,002 | ...... |
| Less: Exec. salaries | 42,955 | 48,027 |
| Directors' fees | 710 | 495 |
| Depreciation | 38,254 | 36,815 |
| Income taxes | 33,160 | 33,525 |
| Misc. adjustments | ...... | 2,689 |
| Net profit | 160,114 | 152,243 |
| Less appropriations: | | |
| Preferred divds. | 70,000 | 70,000 |
| Common divds. | 72,000 | 48,000 |
| Less: Sub. co's. portion | 8,934 | 6,257 |
| Surplus for year | 27,048 | 40,500 |
| Add: Prev. surplus | 342,273 | 302,511 |
| Less: Tax adjust. | ...... | 738 |
| Surplus forward | 369,321 | 242,273 |

**Working Capital**

| | 1938<br>$ | 1937<br>$ |
|---|---|---|
| Current assets | 1,430,613 | 1,285,450 |
| Current liabilities | 339,853 | 222,714 |
| Working capital | 1,090,760 | 1,062,736 |

### Capilano Brewing President

Announcement has been made that T. O. Turner has become president of Capilano Brewing Co., Vancouver, and has acquired a substantial financial interest in the company. Mr. Turner succeeds Fritz Sick as president. Mr. Sick is chairman of Associated Breweries of Canada which company holds an interest in Capilano Brewing Co.

# August Dividends Up; But Year's Total Down

Dividends paid during the first eight months of 1938 have slipped below the record high shown for the first six months of the year, although an increase in August payments has brought the total closer to the all-time high established in 1937.

The Financial Post estimate of dividends payable in August amounts to $5.9 millions, as compared with $4.6 millions in the same month in the preceding year.

Estimate for the eight months period of the current year totals $182.5 millions, a decrease from the same period in 1937, when the figure was $184.5.

Not included in the estimates is the payment on arrears of Eastern Car Co. of $30 a share on its 6% preference stock, payable to shareholders of record Aug. 4, but with no date set for payment. This dividend covers full requirements for the five-year period from Dec. 31, 1932, to Dec. 31, 1937, which would amount to $225,000. Wood, Alexander & James is also making a payment on arrears of the first preferred stock of $1.75 a share.

An initial payment of 3 cents will be made on Coast Breweries new stock.

Extra disbursements of 5 cents a share were made on Hollinger Consolidated, as well as 2 cents extra on Toburn Gold.

Canadian Fairbanks-Morse resumed payment on its common stock with a $1 dividend. Last previous payment was in March, 1932, when 25 cents was paid. Hydro-Electric Securities followed suit with a 20 cents a share payment on its common stock, on which no other payment had been made since 20 cents in May, 1937. Prior to the 50 cents payment on Ontario Steel common stock nothing had been paid since Nov., 1931, when 20 cents was paid.

International Coal Co. is making an interim payment of 1½ cents during August.

Details of the payments scheduled for August follow:

**Summary of August Payments**

| | 1938<br>$ | 1937<br>$ |
|---|---|---|
| Dividends | 5,926,268 | 4,584,939 |
| Bond interest | 12,532,000 | 11,961,000 |
| Total | 18,458,268 | 16,545,939 |

**Dividend Payments**

| Company: | Rate<br>$ | Date | Amount<br>$ |
|---|---|---|---|
| Anglo-Can. Tel., pfd. | .68¾q | 1 | 49,912 |
| Assoc. Tel. & Tel., 1st pf. | .49 | 15 | 16,153 |
| Do., $6 pref. | .42 | 15 | 19,821 |
| Ault & Wiborg, pf. | 1.37½q | 1 | 7,562 |
| Blue Ribbon, p. | .50q | 1 | 14,925 |
| B. C. Tele., 2nd pfd. | 1.50q | 1 | 67,500 |
| Beattie Gold | .05 | 20 | 239,632 |
| Beatty Bros., 1st pf. | 1.50q | 1 | 15,000 |
| Buff.-Ankerite | .25q | 15 | 175,419 |
| Calgary Power, pf. | 1.50q | 1 | 90,000 |
| Can. Bk. of Commerce | 2q | 1 | 600,000 |
| Can. Bronze | .37½q | 1 | 30,000 |
| Do., pref. | 1.25q | 1 | 9,375 |
| Can. Fairbanks, c. | 1 | 15 | 80,000 |
| Can. Inv. Fund sp. & or. | .04q | 1 | 65,857 |
| Can. Investors | .10q | 2 | 10,000 |
| Canadian Oil | .12½q | 15 | 17,970 |
| Can. Malartic | .03 | 4 | 109,540 |
| Commoil | .03½ | 25 | 32,697 |
| Conduits Nat. | .10 | 8 | 16,080 |
| Coast Breweries | †.03 | 1 | 54,094 |
| Coniagas Mines | .12½ | 8 | 95,787 |
| Consolidated Press, A | .25q | 2 | 12,500 |
| Consolidated Sand, pf. | 3.50 | 15 | 28,507 |
| Crown Cork | .25q | 15 | 25,000 |
| Cosmos Imperial, c. | .25q | 15 | 25,000 |
| Dist.-Seagram, pf. | 1.25q | 1 | 200,000 |
| Dominion Bridge | .30q | 15 | 154,185 |
| Dominion Tar, pf. | 1.37½q | 1 | 69,231 |
| Guelph Carpet, pf. | 1.62½q | 1 | 8,125 |
| Gurd, Chas., pfd. | 1.75q | 15 | 4,200 |
| Hollinger Cons. | .05 | 12 | 246,000 |
| Do., extra | .05 | 12 | 246,000 |
| Humberstone Shoe | .50q | 1 | 10,000 |
| Hydro Elec. Secs., c. | .20 | 1 | 295,279 |
| Do., (B) pref. | .25s | 1 | 168,390 |
| Imperial Bank | 2.50q | 1 | 175,000 |
| Int. Coal & Coke | *.01 | 19 | 45,000 |
| Int. Metal, pf. & pf. A | 1.50 | 1 | 67,809 |
| Inter. Nickel, pf. | 1.75q | 1 | 483,486 |
| Inter. Utilities, pf. | 1.75q | 1 | 7,137 |
| Do., $3.50 pref. | .87½q | 1 | 86,639 |
| Kerr Lake Mines | .05 | 15 | 30,000 |
| McGillivray C. Coal | .01½ | 19 | 40,244 |
| Nipissing Mines | .15 | 22 | 180,000 |
| Neon Prod. W. Can. | .25 | 15 | 13,708 |
| Ont. Steel Prod. | .50 | 15 | 25,794 |
| Do., pref. | 1.75q | 15 | 6,304 |
| Penmans | .75q | 15 | 48,388 |
| Do., pref. | 1.50q | 1 | 16,125 |
| Prov. Transport | .10s | 15 | 19,900 |
| Quebec Power | .25q | 15 | 138,299 |
| Rolland Paper, c. | .25q | 15 | 15,000 |
| Saguenay Power, pf. | 1.37½q | 1 | 68,750 |
| Shawinigan W. & Pr. | .20q | 15 | 435,650 |
| Simpson's Ltd., pfd. | 1.25q | 1 | 140,625 |
| South. Can. Power, c. | .20q | 15 | 80,000 |
| St. Law. Flour | .25q | 1 | 9,000 |
| Do., pref. | 1.75q | 1 | 10,062 |
| Steel of Can. | .43¾q | 1 | 201,250 |
| Do., pref. | .43¾q | 1 | 113,685 |
| Toburn Gold | .02q | 22 | 37,000 |
| Do., extra | .02 | 22 | 37,000 |
| United Corp., A | .38q | 15 | 24,422 |
| Weston, Geo., pf. | 1.25q | 1 | 21,875 |
| Wood, A. & J., 1st pf. | ‡1.75 | 1 | 11,375 |
| York. Knit., pfd. | 3.50s | 15 | 5,250 |
| Do., 2nd pref. | 3.50s | 15 | 10,500 |
| Zeller's, pref. | .37½q | 1 | 11,250 |
| Total | | | 5,926,268 |

†Initial. ‡Arrears. *Interim.
q—Quarterly. s—Semi-annually.

**Bond Interest Due in August**

| | $ |
|---|---|
| Municipal | 1,848,000 |
| Provincial | 3,650,000 |
| Dominion | 7,034,000 |
| Total | 12,532,000 |

# Canada & Dominion Sugar Approves Split of Stock

Shareholders of Canada & Dominion Sugar unanimously approved a by-law subdividing the present authorized 1,000,000 no par value shares of stock into 3,000,000 no par value shares, at a special meeting in Chatham on Aug. 4. The outstanding stock will thereby be increased from 500,000 shares to 1,500,000.

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## Investment Trends

# Stock Market Hesitates Awaiting Business Move

### Indications Are That No Major Movement May Be Expected For Next Two or Three Weeks

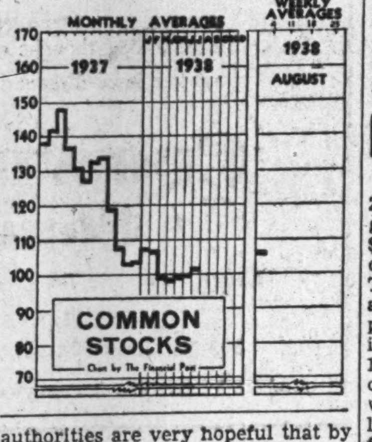
The stock market is at the in-between stage. It hesitates to go forward. Yet on any appreciable weakness buying appears and values are restored to their former level. There is no immediate reason for a resumption of the upswing. At the same time the news, as affecting the market, has little effect one way or the other. Hence the market is marking time waiting and watching to see how the anticipated revival of business shapes up.

As far as the Canadian markets are concerned, they continue to take their cue from New York, with London having some influence. Brokers' loans are of very moderate size, considering the increase in values and volume of trading. Canadian houses report marginal accounts in good shape. Speculative buying is limited. The well-known "man-on-the-street" is waiting to see which way the cat jumps before putting his hard-earned money into any speculative stocks.

* * *

### *Sideways Motion*

Indications at this time are that no major move is to be expected in the market for the next two or three weeks. The market is likely to move sideways until it is possible to size up the American business situation. A month or six weeks ago the forecasts on fall business in the States were, on the whole, very optimistic. Now they are more tempered. The hope for the fall improvement continues strong, however, but until it is possible to come to some definite conclusion as to how vigorous the revival will be, the market will mark time.



This temporary lull is not without value. The rapidity with which values moved ahead left many investors behind. They have been waiting for the "inevitable readjustment." So far they are still waiting. If values continue to hold and business revives, these investors are likely to take part in the next forward movement.

* * *

### *Brokers' Loans*

A feature of stock market activity during the recent upward swing has been the large amount of transactions in cash rather than on margin.

This is indicated by the trend of collateral borrowings of members of the Montreal Stock Exchange. Despite the increase in trading activity and sharp rise in values in July, brokers' loans increased only $2,268,078 to $16,233,036. This is the highest level reached by Montreal brokers' loans since February, but is considerably below the figure for a year ago. At the end of July, 1937, loans totalled $37.7 millions.

Value of listed stocks at the end of July are not yet available. However, values at the end of June amounted to $4,958,411,369, an increase of over 8%. Brokers' loans in June increased only 2.9% so that the ratio of loans to values dipped to a new low of 0.28% at the end of June.

This would indicate the small speculator has not been an important factor in the increase in market activity.

* * *

### *Newsprint Quiet*

Feature of the last rise was the sharp gain in value for newsprint securities. For most of the time this group also led in volume of trading. Of late, however, there has been a smaller interest. This has not been due to any change in the position of the industry or its outlook. Interest has flattened out because there is a broader realization that the operators are not going to show large profits this year.

The newsprints, as a group, should be watched. The stocks are relatively low in value. Hence they provide an excellent medium for the speculator looking for action. Just as soon as it is realized that the industry has got over the "hump" and that production and shipments are picking up, there will be a revival of interest in the group. Trade authorities are very hopeful that by the end of next month there will be a noticeable pick-up in demand for newsprint paper. When that happens mill operations also will advance and the "newsprints" will again come to the fore.

* * *

### *Iron and Steel*

Iron and steel stocks have replaced the newsprints as the most popular trading medium. Four of the five leading industrial issues traded on the Montreal board last week come into this category. National Steel Car and Canadian Car were undoubtedly influenced by all the talk of airplane orders. If these companies get half the business that has been talked about, then they will be well off. Out of the maze of rumors it is reasonably certain now that the British Government will place some aircraft business in Canada. Just how much it will be, no one knows.

Dominion Steel and Coal, National Steel Car and other iron and steel companies continue to attract a better than average volume of trading. This type of business has held up well.

* * *

### *Advise Caution*

Advisory services favor a wary attitude toward new purchases. Generally they are optimistic over the outlook. But they all look upon the present market as being in an intermediate movement. Hence they suggest caution in making fresh purchases at this time. One or two have advised increasing cash reserves. These are the exception. However the majority believe that before any further broad upswing occurs in the average level of stock prices, it will be necessary for the companies to show better earnings. Along these lines it should be remembered that the market anticipates changes in earnings. An upswing in stock prices is likely to occur long before the companies report an improvement. Hence the necessity of watching the business trend over the next few weeks.

21 NEW WELLS IN SIX MONTHS

● Twenty-one new wells were completed in Turner Valley during the first six months of 1938—a striking indication of the remarkable progress made in development of this great new crude oil field.

Daily potential output now exceeds 50,000 barrels compared with 30,000 barrels in April; Turner Valley, with 25 additional wells now drilling, is today the largest crude oil field in the British Empire.

Anglo-Canadian Oil Company is one of the leading independent producers in this field. With widespread activities which include drilling, producing and refining, the Company will continue to share broadly in the progress of Canada's new major industry—development of crude oil in Turner Valley.

NESBITT, THOMSON
AND COMPANY LIMITED
355 St. James Street West, Montreal
Branches in all the principal cities of Canada

78A

NEW C.N.R. AUDITOR

J. F. Aitchison, widely known in railway financial circles, who has been appointed general auditor of the Canadian National Railways, with headquarters in Montreal. Mr. Aitchison was formerly regional auditor, with headquarters in Toronto.

## Investment Notes

**B. A. Oil**—At the plebiscite on July 20, Calgary ratepayers approved the granting of a fixed assessment of $79,500 on the new refinery the company is building in that city. This assessment, which is 25% of the approximate cost of taxable improvements to be erected on the site, is for a period of 20 years from Jan. 1, 1939, and compares with the ordinary basis of 50% of taxable value of improvements. Cost of the land which the company is buying from the city is $18,000 for approximately 90 acres.

* * *

**Canadian Fairbanks-Morse** — In reporting the favorable trend of the company's business for the first half of 1938 in The Financial Post issue of Aug. 6, the amount of the dividend being paid on the common stock on Aug. 15 was incorrectly reported at 25 cents instead of $1. The last previous common dividend paid by the company was 25 cents a share paid March 15, 1932.

* * *

**Eastern Steel Products** — Sales in the six months ended May 31 are understood to be slightly higher than a year ago. Prospects for the balance of the year are going to be largely influenced by the outcome of the 1938 crop and general business but at present are considered promising. Sales tax reductions in the last Dominion budget should assist the company.

* * *

**Famous Players Corp.** has advised the Montreal Stock Exchange that option to purchase 11,000 treasury shares at $14 per share has been extended to Dec. 15.

The company entered into the option agreement with N. L. Nathanson, president and general manager of the corporation on Apr. 15, 1936, whereby it granted five options at $13 per share, commencing July 1, 1937, and increasing $1 a share in each succeeding year. The original option called for 10,000 shares annually, but was revised to 11,000. Mr. Nathanson exercised his option, purchasing 11,000 shares at $13 a share on Aug. 5, 1937.

* * *

**Industrial Acceptance**—Due mainly to an increase in the number of accounts handled by the company, says Greenshields and Co., volume of business and profits so far this year have been maintained at a level comparable with corresponding period of 1937. For 1937, earnings were $5.53 a share on the Class "A" stock and $3.91 a share on the combined "A" and "B" stock.

* * *

**Jamaica Public Service** net profit in 12 months ended June 30 was equivalent to $3.14 a share, compared with $2.51 a share in the 12 months ended June 30, 1937. Thus, profits in the current year should exceed the peak achieved in 1937.

* * *

**Montreal Transactions** — Value of transactions on the Montreal Stock Exchange and the Curb Market during July totalled $31,610,479, as compared with $20,316,147 in June and $26,315,050 in July, 1937. July transactions were the highest since October, 1937, when dollar value was $39,191,810.

* * *

**Placer Development**—Placer's investment holdings of Bulolo and Pato represent 30.6% and 35.9%, respectively, of the outstanding shares of these companies, the favorable developments at the properties of which are of importance to Placer shareholders.

* * *

**Zellers** — Despite the downward trend of business activity through recent months, Zellers achieved gains both in sales and profits for the first quarter of its current fiscal year which began February 1 last. Increased sales for the three months to April 30 amounted to 6.2% and the increase of profits available for depreciation, debenture interest and income tax was 13.7%.

# M.&O. Paper Losses Higher

### Net Deficit of $1,349,849 For 6 Months Against $697,917

Earnings of Minnesota and Ontario Paper Company and its subsidiaries experienced a severe drop for the first six months of 1938, as compared with a similar period in 1937.

A net deficit of $1,349,849 compares with a net deficit of $697,917 in 1937 for the operation of the company and its subsidiaries, excluding National Pole & Treating Co.

Sales dropped to $5,642,672 from $7,507,081, while an operating deficit of $56,127 compares with an operating profit of $441,363.

National Pole & Treating Co., a subsidiary, incurred a net loss of $85,744 in the six months period ended June 30, 1938, as compared with a net loss of $7,173 in the same period in 1937.

### Working Capital

Current assets, as at June 30, 1938, amounted to $6,924,563, comprising cash $437,216, notes and accounts receivable, less reserve, $1,363,344, inventories $3,808,630 and advances and work in process $1,315,372.

Current liabilities were $1,284,289 including notes payable and accrued interest $401,000, accounts payable, etc., $422,357, accrued taxes $353,617 and miscellaneous $107,315, leaving net working capital of $5,640,274.

Current assets of National Pole & Treating Co., as at June 30, 1938, amounted to $1,428,659, including cash $160,032, notes and accounts receivable $204,641, inventories $1,022,212 and work in process $41,774.

Current liabilities totalled $39,834, leaving net working capital of $1,388,825, at June 30, 1938.

Trustees of Minnesota and Ontario received a favorable decision from the United States Circuit Court of Appeals sustaining the judgment against the United States in the amount of approximately $145,000 with a minor amendment which reduces by a few thousand dollars the judgment of the lower court. It is not known whether the U. S. Government will take the case to the United States Supreme Court.

Sales of newsprint have been substantially below the corresponding quarter a year ago, although above the first quarter of the year. Merchant sales showed some improvement in the last two months.

Specialty papers decreased from the same quarter in the previous year but ran about the same as the first quarter of the current year. Some betterment is noted by the trustees in this field.

### Sulphite Sales Depressed

Sales of sulphite paper are said to be in a very depressed state. Prices for converter and wrapping papers fell to low levels, but a tendency toward stiffening is noticed. Insulite sales in the second quarter were at a higher rate than in the first quarter but were substantially below a year ago. Lumber sales continue at a low rate and low prices.

### European Operations Satisfactory

The only major plant improvement contemplated by the company for the current year is the rebuilding of a paper machine at International Falls.

European operations have been carried out at capacity rates and reasonable prices, and earnings for the period are described as fair.

Liquidation of the Backus-Brooks Co. is still being conducted.

The subcommittee of the Bondholders' Protective Committee is developing a plan of reorganization.

**Consolidated Income and Surplus Account**
**(Excluding National Pole & Treating)**

| | Jan. 1 to June 30 1938 $ | Jan. 3 to June 30 1937 $ |
|---|---|---|
| Sales | 5,642,672 | 7,507,081 |
| Less: Cost of sales | 4,984,258 | 6,298,310 |
| Gross profit | 658,414 | 1,208,771 |
| Less: Sell., admin. and trustee exps. | 714,541 | 767,408 |
| Operating profit | *56,127 | 441,363 |
| Add: Other inc. | 46,036 | 46,328 |
| Net income | *10,091 | 487,691 |
| Less: Shutdown exps. | 18,933 | ...... |
| H.O. depreciation | 4,547 | 3,571 |
| Int. paid | 4,292 | 32,221 |
| Int. not paid | 1,311,986 | 1,149,816 |
| Net deficit | 1,349,849 | 697,917 |
| Less: Prev. surplus | 4,359,285 | 6,730,106 |
| Prof. on cap. assets | 1,106 | 31,445 |
| Add: Loss on retire. cap. assets | 10,951 | ...... |
| Miscellaneous | 10,072 | ...... |
| Balance forward | 2,989,519 | 6,063,634 |
| Times All Int. Earned† | nil | 0.41 |

*Deficit or loss.
†Before depreciation and depletion.

**National Pole & Treating Co.**
**Income and Surplus Account**
Six Months Ended June 30

| | 1938 $ | 1937 $ |
|---|---|---|
| Sales | 669,682 | 755,916 |
| Less: Cost of sales | 643,930 | 705,441 |
| Gross profit | 25,752 | 50,475 |
| Less: Sell. & adm. exp. | 73,600 | 75,685 |
| Operating loss | 47,848 | 25,210 |
| Add: Other income | 1,955 | 3,153 |
| Net oper. loss | 45,893 | 22,057 |
| Less: Int. on fund. debt | 38,772 | 47,793 |
| Amort. of bond disc. | 1,378 | 600 |
| Add: Prof. on sale of capital assets | 131 | 19 |
| Misc. credits | *168 | 63,258 |
| Net loss | 85,744 | 7,173 |
| Less: Prev. surplus | 727,415 | 747,915 |
| Balance forward | 641,671 | 740,742 |

## Significant Investors' Index Numbers

1926 = 100

| No. of Securities | Mach. and equip. 8 | Pulp and paper 7 | Milling 3 | Oils 4 | Textiles and clothing 10 | Food and allied prod. 12 | Beverages 7 | Bldg. mater. 15 | Power and traction 15 | Banks 9 | Total utilities 19 | Total co's. 96 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1929-37:* | | | | | | | | | | | | |
| High | 432.5 | 113.4 | 273.4 | 423.5 | 113.5 | 197.8 | 204.6 | 281.1 | 197.6 | 131.7 | 166.0 | 198.3 |
| Low | 39.2 | 3.0 | 37.7 | 87.7 | 30.8 | 78.8 | 33.8 | 44.3 | 47.1 | 63.1 | 36.9 | 43.3 |
| 1938: | | | | | | | | | | | | |
| Jan. | 109.6 | 18.9 | 87.2 | 194.9 | 64.3 | 158.7 | 116.1 | 138.4 | 64.4 | 84.3 | 48.7 | 107.7 |
| Feb. | 109.3 | 17.5 | 88.9 | 195.2 | 64.8 | 159.9 | 115.0 | 131.4 | 63.1 | 81.8 | 46.8 | 107.1 |
| Mar. | 100.7 | 14.6 | 76.5 | 181.2 | 60.3 | 152.0 | 101.3 | 116.0 | 58.2 | 80.5 | 43.1 | 99.2 |
| Apr. | 103.2 | 15.4 | 75.6 | 172.0 | 55.0 | 151.5 | 106.0 | 119.4 | 59.7 | 80.4 | 43.7 | 97.9 |
| May | 107.2 | 15.7 | 85.8 | 177.2 | 54.5 | 153.6 | 107.5 | 122.5 | 61.0 | 80.9 | 44.5 | 99.7 |
| June | 111.8 | 18.6 | 84.8 | 170.0 | 54.1 | 156.2 | 109.2 | 129.8 | 61.2 | 81.0 | 45.1 | 100.0 |
| Weekly Figures, 1938: | | | | | | | | | | | | |
| July 7 | 122.7 | 23.4 | 88.9 | 177.4 | 59.0 | 164.5 | 114.4 | 141.2 | 66.7 | 85.0 | 48.9 | 106.8 |
| July 14 | 123.3 | 22.7 | 88.4 | 178.4 | 58.9 | 168.2 | 115.8 | 139.1 | 66.0 | 85.4 | 48.2 | 106.0 |
| July 21 | 130.4 | 22.9 | 89.1 | 178.1 | 59.4 | 169.8 | 121.7 | 143.4 | 66.2 | 84.5 | 48.5 | 107.3 |
| July 28 | 134.6 | 23.3 | 87.9 | 176.8 | 61.6 | 169.5 | 124.2 | 145.8 | 66.5 | 84.6 | 48.5 | 107.4 |
| Aug. 4 | 132.8 | 22.2 | 88.3 | 177.3 | 59.3 | 169.4 | 124.5 | 144.1 | 66.0 | 84.4 | 48.2 | 106.7 |

*High and low for years from 1929 to 1937 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

**Toronto Stock Exchange Index**

| | 20 Indus. | 20 Golds | 10 B.M. | 15 W.O. |
|---|---|---|---|---|
| Aug. 9 | 124.14 | 126.04 | 95.63 | 34.40 |
| Aug. 8 | 124.77 | 126.59 | 95.76 | 35.06 |
| Aug. 6 | 125.26 | 126.50 | 95.89 | 35.37 |
| Aug. 5 | 124.84 | 127.19 | 95.45 | 35.61 |
| Aug. 4 | 124.47 | 126.62 | 95.53 | 35.28 |
| Aug. 3 | 124.70 | 125.80 | 95.30 | 35.44 |
| Month ago | 121.21 | 119.43 | 89.61 | 36.48 |
| Year ago | 165.90 | 120.89 | 117.08 | 51.98 |
| High, 1938 | 126.85 | 127.19 | 97.95 | 50.85 |
| Low, 1938 | 97.66 | 102.96 | 64.47 | 31.40 |

**Montreal Stock Exchange Averages**

| | 10 Util. | 20 Indus. | 30 Comb'd | 15 Golds |
|---|---|---|---|---|
| Aug. 9 | 69.2 | 85.5 | 80.1 | 127.38 |
| Aug. 8 | 68.8 | 86.4 | 80.5 | 128.07 |
| Aug. 6 | 68.5 | 86.6 | 80.6 | 127.59 |
| Aug. 5 | 69.1 | 86.6 | 80.7 | 128.01 |
| Aug. 4 | 69.2 | 85.8 | 80.3 | 127.67 |
| Aug. 3 | 67.0 | 85.8 | 79.5 | 127.97 |
| Month ago | 67.7 | 81.7 | 77.1 | 120.96 |
| Year ago | 82.3 | 110.7 | 101.2 | 111.68 |
| High, 1938 | 69.3 | 88.2 | 81.4 | 130.77 |
| Low, 1938 | 59.1 | 61.1 | 60.5 | 103.06 |

# Market Opinions

There is a general belief among market commentators that the stock market has outrun business, and any further progress will have to await a quickening of the business pace. The market is generally regarded in a sound position. A word of caution that any recession in business would bring a sharp reaction from present levels is forthcoming from another source.

**The Annalist, New York**—"There is apparently little doubt in the minds of most financial observers that the June-July advance marks a significant turn in the general business situation but there is as yet little basis for predicting the rapidity of recovery during the next few months. The course of business in the near future is of considerable interest to investors because disappointing business news might well produce a rather sharp reaction from present levels.

"Important business developments in this country have temporarily overshadowed unfavorable political developments abroad which ordinarily would have an unsettling influence upon our security markets."

**Journal of Commerce, New York**—"Favorable trade developments during the period of stock market irregularity were regarded as having laid the groundwork for a resumption of the advance. . . . Technicians regarded the market as in a sound position, since a great deal of stock held in speculative accounts several weeks ago is reported to have moved into stronger hands. Investment trusts, viewing the business picture with increasing optimism, were reported to have added to their holdings during the past month."

**Brookmire Bulletins, New York**—"Although the extensive rise in stock prices has considerably outrun business progress, the accumulating evidences of business improvement exert a strengthening influence on the market. Thus, a probable outcome of recent market hesitation could be a further and possibly sharp rally, which would present opportunity for partial reduction of holdings to provide some purchasing power in anticipation of a sizable corrective reaction, such as normally follows substantial rises."

**Investors' Chronicle, London (July 30)**—"It must be appreciated that in the United States or elsewhere, no economic recovery can be achieved without first, a stock market recovery (to give the businessman confidence in rising commodity prices), secondly, a consumer goods recovery (which can be artifically created by government spending), and thirdly a stock-up movement, because the rise, or fall in inventories determines the pace of capital investment or disinvestment. We have all three conditions favorable to recovery existing in the United States today."

**The Financial World**—"Indications are that the stock market has entered upon a period of consolidation of the moderate rise which occurred during the latter part of July, following the late June up-rush. Any opinion that a distributing phase has been reached lacks support in the figures. Odd lot transactions continue to run to the selling side, and the trend of security loans to brokers and others has been distinctly downward in recent weeks.

"It has been obvious for some time that, if stock prices are to advance—further—or current levels be maintained—considerable additional improvement in business activity must develop. Fortunately, industrial trends persist in the right direction.

"Although the duration of the current business recovery movement is uncertain, nevertheless the weight of evidence favors continued gains during coming months, and the reasonably near future should see both sales volumes and corporate profits at levels which fully justify present stock prices."

**Barron's, The Trader, New York**—"The stock market is always looking forward, and its complete disregard of the first half-year results emphasizes with what alacrity it has turned its back on the depression. Enough has already occurred to demonstrate that not only is the backbone of the depression broken but also that recovery is well under way. The July sales of copper, the largest domestic bookings for any month since October, 1936, and the turnover in cotton goods, about as emphatic, show which way the business wind is blowing. Few economists and bankers are there who would not now concede the inevitability of a strong revival in consumers' goods lines, a conclusion which accounts for the persistent strength in consumers' goods stocks."

## Elect Directors To Rogers Board

### Class A Stockholders Get Voice in Management of Company

In order to give increased representation to the class A shareholders, E. L. McLean, of Toronto, and Carl Sanders, of North Bay, have been elected to the board of Rogers-Majestic Corporation Limited. This action was taken at the reconvened annual meeting of the company following a request made at the first meeting to give the class A shareholders a voice in the management. The class A shareholders have no voting power, but there has been a feeling for some time that they should have some representation on the board.

In a statement issued by the president it is pointed out that the entry into the export market and the addition of new lines in the merchandising field with the object of offsetting the highly seasonal nature of the radio business have required additional capital and inventory. This policy, however, is considered essential to the future success of the business. Accordingly it is not deemed advisable to commence dividends until such time as there is a reasonable possibility of maintaining such a policy.

## Dominion Stores Sales Down 2.18% in Month

Sales of Dominion Stores Limited for the four-week period ended July 16, 1938 amounted to $1,467,436, a decrease of 2.18% from the corresponding period of last year when sales amounted to $1,500,204.

For the 28 weeks from Jan. 2 to July 16, sales totalled $10,252,318 a decrease of $292,307 or 2.77%.

**Monthly Sales**
(Subject to final adjustment)

| Four week period end.: | 1938 $ | 1937 $ | Decr. $ | Decr. % |
|---|---|---|---|---|
| Jan. 29 | 1,404,480 | 1,457,927 | 53,447 | 3.67 |
| Feb. 26 | 1,459,840 | 1,474,989 | 15,149 | 1.03 |
| Mar. 26 | 1,472,091 | 1,544,860 | 72,769 | 4.71 |
| Apr. 23 | 1,495,190 | 1,547,273 | 52,083 | 3.37 |
| May 2 | 1,486,876 | 1,515,533 | 28,657 | 1.89 |
| June 18 | 1,466,405 | 1,503,839 | 37,434 | 2.49 |
| July 16 | 1,467,436 | 1,500,204 | 32,768 | 2.18 |
| | 10,252,318 | 10,544,625 | *292,307 | 2.77 |

Note:—In the period ended Jan. 29, 1938, 11 fewer stores were operated than in the 1937 period; in the Feb. 26 period, 7 fewer; Mar. 26, 1 fewer; Apr. 23, no change; May 2, 3 fewer; June 18, 4 fewer; July 16, 6 fewer.

## Inter-State Royalty Report on Revenues

From Our Own Correspondent

MONTREAL.—Inter-State Royalty Corp. reports that as at June 30, the company's investments in oil royalties had a book value of $1,148,344.

Gross revenue from royalty income since acquisition amounted to $413,278 as of May 31, 1938, and the reserve for depletion totalled $113,652.

During May the corporation had a gross income of $9,429 and accumulated gross income for the year 1938 to date was $53,889.

## Dominion Scottish Declares Dividend

Directors of Dominion-Scottish Investments Limited have declared a dividend of 50 cents per share on the 5% cum. pref. stock (par value $50) for the quarter ending Aug. 31, 1938. The dividend is payable Sept. 1 to shareholders of record Aug. 20.

Last year three dividends of 50 cents each were paid, the final one of $1 bringing the total distribution for the year up to the full $2.50. It is probable that the same policy will be followed this year.

## Beauharnois Completes Capital Stock Plan

From Our Own Correspondent

MONTREAL.—Beauharnois Power Corp. has taken out letters patent increasing the capital stock from 762,000 to 1,431,559 common shares. The additional stock will be issued by the company under the reorganization plan recently approved by the security holders.

## *Manitoba Names Insurance Supt.*

Herbert Hunter has been appointed Superintendent of Insurance for the Province of Manitoba succeeding Charles Heath who retired July 15. The announcement of Mr. Hunter's appointment was made by Hon. W. R. Clubb, Minister of Public Works and Labor for the province.

## Third Can. Gen. Invest. 6 Months' Earnings Up

Net income of Third Canadian General Investment Trust for the six months ended June 30, 1938, was slightly above the corresponding period a year earlier.

Value of securities held at June 30, 1938, was $1.8 million. Of this $1.7 million was marketable securities at quoted values and other securities of $65,611. Book values of all securities was $1.4 million. Market value of securities was $1.8 million at the end of 1937 and book value $1.3 million.

Net asset value was $1,778,948 at June 30 against $1,822,362 at Dec. 31, 1937, and $2,096,811 at June 30, 1937. On a par share basis, net liquidating value was $2.71 at June 30 this year, $2.78 at Dec. 31 and $3.21 at June 30, 1937. The company held 143 different securities at the end of June.

**Income and Surplus Account**
Six Months Ended June 30

| | 1938 $ | 1937 $ |
|---|---|---|
| Income from invests. | 53,150 | 49,974 |
| Less: Management fees | 3,375 | 3,375 |
| Directors' fees | 300 | 290 |
| Miscellaneous | 845 | 811 |
| Net income | 48,630 | 45,498 |
| Add: Prev. surplus | 130,117 | 88,465 |
| | 178,747 | 133,963 |
| Less: Dividends | 65,399 | 58,859 |
| Income tax, 1936 | ...... | 12 |
| Balance forward | 113,348 | 75,092 |
| Earnings per Share: | | |
| Earned | $0.074 | $0.070 |
| Paid | 0.10 | 0.09 |

**Capital Distributable Surplus**
As at June 30

| | 1938 $ | 1937 $ |
|---|---|---|
| Previous balance | 614,701 | 502,930 |
| Add: Net profit on secs. sold | 13,806 | 60,359 |
| Balance forward | 628,507 | 563,289 |

## Wood, Alexander & James To Buy $25,200 of Bonds

Approximately $25,200 is available for the purchase of the 6% first mortgage bonds of Wood, Alexander & James, under the terms of the sinking fund, National Trust Co., trustee for the bondholders, has announced.

Offerings for bonds for sale will be received at the office of the trustee in Hamilton, Ont. to Aug. 25, and the rate specified in each offer will be deemed to include accrued interest and to be for the whole or any part of the amount offered.

Beauharnois Light, Heat and Power Company
5% Second Mortgage Bonds
Due January 1st, 1978
Denominations: $1,000, $500 and $100.
Price: At the market, to yield about 5.60%.

Through substantial contracts entered into with Montreal Light, Heat & Power Consolidated, and The Hydro-Electric Power Commission of Ontario, Beauharnois Light, Heat and Power Company has access to the greatest power markets in Canada. In addition, the Company's large potential supply of power and the strategic location of its development place the Company in a position to meet expanding demands for power of Ontario and Quebec industry.

Descriptive circular forwarded upon request.

Wood, Gundy & Company
Limited
Toronto Montreal London, Eng. Ottawa Hamilton Winnipeg Vancouver London, Ont.

# Gas Merger Is Approved

### Hamilton Sanctions Consolidation of United Gas and Dominion

Hamilton city council has approved an agreement whereby United Gas and Fuel Co. takes over franchise rights, mains and pipes and distributing systems of the Dominion Natural Gas Co. and the Manufacturers' Natural Gas Co. in the City of Hamilton. Acceptance of the purchase agreement had previously been recommended by a special committee and forwarded to the council for final sanction.

United Gas & Fuel Co., a subsidiary of United Fuel Investments, will acquire the distributing system in the metropolitan area of Hamilton, if the shareholders approve the agreement. In the event of Barton areas being annexed by Hamilton provision is made for United Gas and Fuel to purchase the mains brought within the city.

The company has agreed not to raise gas prices over a maximum of 90 cents a 1,000 ft. to 1946. Present rates are 75 cents for natural gas and 90 cents for manufactured gas.

Now that consent of the City of Hamilton has been received for merger of the distributing systems, it is considered likely that the company will take steps to obtain the shareholders' approval of a plan of reorganization of United Fuel Investments.

### Earnings Down

United Fuel Investments reported net consolidated earnings of $59,455 for the three months ended June 30, before provision for Dominion income taxes, as compared with $110,981 in the corresponding period of 1937 and $78,889 in 1936. For the past three years the net earnings, before provision for income tax have been $599,589 in 1938, $554,965 in 1937 and $336,779 in 1936.

## Shell Oil of Canada Adopts Pension Plan

A retirement pension plan has been adopted by Shell Oil Co. of Canada, P. M. Fowlie, president, states. No contribution will be required from employees under the plan. Normal retirement ages are defined as 60 years for men and 55 years for women, but retirement at these ages will not be compulsory.

The pension plan is additional to a long established provident fund whose provisions extend to 27,500 Shell employees throughout Canada and the United States.

## Burry Biscuit Sales Improve

### Loss of Early Part of Year Reported Nearly Eliminated

Business of Burry Biscuit Co., after starting slowly in the present fiscal year ended Oct. 30, has experienced a steady upturn and it is reported that the Chicago and Linden, N.J., plants are working steadily to fill a good backlog of orders.

It is stated that the net loss of the early part of the fiscal year has nearly been eliminated, and that present prospects indicate that the year will show a profit.

Burry Biscuit Co. manufactures and sells "Educator" crackers and English type sweet biscuits in the United States. Net profit in the fiscal year ended Oct. 30, 1937, amounted to $121,016, as compared with a net profit of $144,625 in the period from Jan. 11, 1936, to Oct. 31, 1936.

Earnings on the 6% preferred stock, $50 par value, of which there were 9,870 shares outstanding at Oct. 30, 1937, were $12.26, as compared with $14.48 in the previous period when there were 9,985 shares outstanding. On the 12½ cents par value common stock earnings were 23 cents and 31 cents, respectively, and there were 401,040 and 400,120 shares outstanding.

Notice to Holders of
TOWN OF
MIMICO DEBENTURES

**A plan for refunding the debenture debt of the Town of Mimico has been approved by the Council of the Town of Mimico, the Mimico Debenture Holders' Protective Committee and the Department of Municipal Affairs. Full details are set out in a circular to Debenture Holders, a copy of which may be obtained from:**

H. VANDERVOORT, Secretary, Mimico Debenture Holders' Protective Committee, 255 Bay Street, Toronto;
Department of Municipal Affairs, Parliament Buildings, Toronto;
L. J. FERRIE, Clerk and Treasurer, Town of Mimico.

(Signed) L. J. FERRIE,
Clerk and Treasurer, Town of Mimico.

Notice to Holders of
TOWN OF
NEW TORONTO DEBENTURES

**A plan for refunding the debenture debt of the Town of New Toronto has been approved by the Council of the Town of New Toronto, the New Toronto Debenture Holders' Protective Committee and the Department of Municipal Affairs. Full details are set out in a circular to Debenture Holders, a copy of which may be obtained from:**

A. C. COCHRANE, Secretary, New Toronto Debenture Holders' Protective Committee, 320 Bay Street, Toronto;
Department of Municipal Affairs, Parliament Buildings, Toronto;
F. R. LONGSTAFF, Clerk and Treasurer, Town of New Toronto.

(Signed) F. R. LONGSTAFF.
Clerk and Treasurer, Town of New Toronto.

NOSE-DIVE
The above "Normal Probability" is analysed
by
Major Angas
Author of
"The Coming Scramble for Stocks"
(Digest No. 15, of 22nd March, 1938)

This timely analysis appears in a 12-page Digest under the title of "HOW TO RIDE THE COMING NEW BOOM AND DANGERS AHEAD" (Digest No. 19) Part I of this Digest answers the strategic question: "Is the Cyclical Slump Really Over?" Part II discusses the principles of "Short-run Market Tactics," and shows how best to "spot" the Intermediate tops. In Part III appear "Major Angas's Specific Selling Suggestions" as regards the present market.

All readers of Major Angas's recent pamphlet "The Coming Scramble for Stocks" should read this new Digest, which is virtually A SEQUEL TO "THE COMING SCRAMBLE".

*Tear out this advertisement. Print name and address in white space at top. Check in appropriate square.*

Single copy $2 ☐ (Check must be sent with order). 12 months' subscription $25 ☐
Six months $15 ☐.

Major L. L. B. Angas, Investment Consultant, 301 Park Avenue, New York

## Hodgson and Co. Issues Semi-annual Stock Survey

From Our Own Correspondent

MONTREAL.—C. J. Hodgson & Co., members of the Montreal Stock Exchange, have issued the 14th edition of their half-yearly statistical review of the more active securities traded on the Montreal Exchange.

In addition to giving essential information on the stocks traded on the Montreal Stock Exchange and Montreal Curb Market, the pamphlet incorporates Canadian and New York commission rates, stock taxes and general trading particulars on the Canadian Commodity Exchange.

## Technical Advertisers Elect Van Scoyoc Head

Announcement is made that H. S. Van Scoyoc has been elected president of the Technical Advertisers Association of Montreal. The aim of this newly formed organization will be to promote a higher standard of advertising in trade and technical magazines, in line with the code of ethics which governs newspaper advertising.

Associated with Mr. Van Scoyoc on the executive of the association will be F. A. McLean, vice-president; A. P. Darcel, secretary; T. Hart, treasurer, and W. B. Bates, N. B. Powter, B. W. Keightley, F. B. Thompson, L. C. Hazelton and J. O. Pitt, directors.

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### Bond Markets

# Alberta Bonds Reflect Bright Crop Prospects

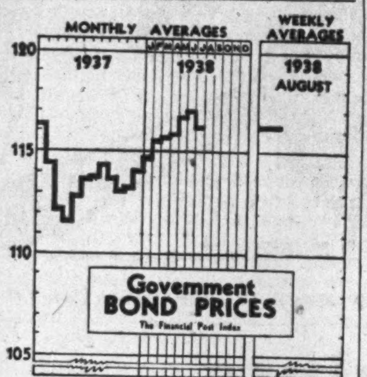
## Upward Movement of Western Provincial Issue Only Highlight in Week of Dull Trading—Municipal Picture Better

Bond markets have continued their even summer tenor in the last week, with no developments arising to affect prices or stimulate a weak demand.

High-grade bonds reversed their trend of the previous week and firmed somewhat, but there were no large-scale transactions. Dominion middle-term issues were up ¼ and long-term, ½.

The only movement to attract attention was in Province of Alberta bonds, which moved upward on an average of 2.25 during the week. Crop prospects appeared to be the principal reason.

British Columbia bond prices improved slightly, while Saskatchewan, Manitoba and other provincial issues were largely unchanged.



Bonds of newsprint companies occupied the meagre spotlight in the Canadian corporation issues. Brown and Minnesota and Ontario Paper were up $2, while others remained at higher levels than the previous week.

New financing was virtually at a standstill.

* * *

### *Municipal Bonds*

High-grade municipal bonds have been in good demand recently, due probably to the gradual clearing away of the default situation in the Dominion. Some investment dealers feel that the market would readily absorb the securities of any municipality in good standing at this time.

The general feeling is that investors are being treated fairly and that municipalities and provincial authorities have arrived at an equitable solution in the majority of cases. In few cases have debentures holders had to accept a reduction in principal.

* * *

### *Bonds Point the Way*

Earlier in the year, Col. Leonard P. Ayres declared: "Four warning signals have regularly preceded every major business depression in this country in the past 100 years. Since 1830 we have had 13 serious business depressions before this present relapse. Each one was preceded by a decline in bond prices, followed by a decline in stock prices. . . . ."

Based on this hypothesis the present record high prices of best-grade bonds has a broad and cheering implication. While not indicating that the current upturn in business and stock prices will last for a protracted period, it may be reasonably assumed that the peak of recovery has not yet been reached.

* * *

### *Bonds Point the Way*

Emphasis on the psychological factors that sway market sentiment is seen in the reaction to the New Deal victory in Kentucky recently by one United States commentator.

Had the other half of the cleavage been victorious in signalling a return to orthodoxy, it is felt that the market would have put its apprehensions away and applauded the old line Democrats.

* * *

### *Home to Roost*

Recently discussion of Venezuela with New York financial interests came to nought. It was felt that general experience of Latin-American bonds would make it difficult, if not impossible, to obtain a loan on the United States market.

The loan for a public works programme was discussed with bankers, and many felt, with a government out of debt, its bonds would be a desirable investment. Finally the idea was rejected and it is improbable that negotiations will be resumed.

It is reported that Venezuela will now turn to other fields for funds. European markets may be more receptive.

* * *

### *Bond Index*

Prices of Dominion bonds recovered from a slight dropping off in the month of July and turned again toward record highs.

**Average Price and Yield for Seven High-Grade Government Bonds**

| 1938 | Price $ | Yield % | 1937 | Price $ | Yield % |
|---|---|---|---|---|---|
| Aug. 9 | 116.39 | 2.856 | Aug. 9 | 114.26 | 3.236 |
| Aug. 8 | 116.37 | 2.859 | Aug. 7 | 114.22 | 3.241 |
| Aug. 7 | 116.32 | 2.869 | Aug. 6 | 114.22 | 3.241 |
| Aug. 5 | 116.28 | 2.874 | Aug. 5 | 114.22 | 3.241 |
| Aug. 4 | 116.21 | 2.877 | Aug. 4 | 113.99 | 3.259 |
| Aug. 3 | 116.05 | 2.900 | Aug. 3 | 113.93 | 3.260 |
| Year's | 117.21 | 2.783 | Year's | 116.81 | 3.026 |
| Range | 114.21 | 3.147 | Range | 111.60 | 3.505 |

## Clarendon Apts. Earns $7,676 in Half Year

Earnings of Clarendon Apartments available for interest on the 7% first mortgage bonds for the six months period ended May 31, 1938, amounted to $7,676. There was a surplus of receipts over expenditures of $4,307. Interest requirements on the bonds amount to $33,705 annually.

Royal Trust Co., Toronto, is acting as trustee and manager of the property.

Interest on the bonds is paid to Dec. 15, 1932.

**Income and Expenditures**
**Six Months Ended May 31, 1938**

| | $ |
|---|---|
| Receipts: | |
| Balance brought forward .... | 4,180 |
| Rentals ........................ | 18,786 |
| Total income ................ | 22,966 |
| Less disbursements: | |
| Oper. exps. & taxes .......... | 9,787 |
| Gen. & admin. ............... | 75 |
| Rental exp. .................. | 1,248 |
| Bond interest ................ | 7,222 |
| Bond expenses ................ | 327 |
| Balance forward .............. | 4,307 |

## Asks Holders to Deposit New Toronto Debentures

The New Toronto Debenture Holders' Protective Committee has circularized debenture holders, asking that debentures be deposited with the Committee in order that it may be empowered to approve before the Ontario Municipal Board the refunding plan.

Upon receipt of consent of two thirds of the value of the debentures application will be made to the Municipal Board for approval of the plan.

# Town Plan Is Approved

## Kingsville Reorganization Passed by Municipal Department

The Ontario Department of Municipal Affairs has approved a plan for readjustment of the debenture debt of Kingsville.

Differences of opinion between the Canadian Bank of Commerce and the town as to the liability of the bank to the Windsor, Essex and Lake Shore Railway, which delayed adoption of the plan, were finally ironed out and the plan approved on Aug. 3.

Kingsville defaulted on debenture principal payments in June, 1934, and interest payments on Mar. 1, 1935.

**Reorganization Plan**

Under the plan, drawn up by the Guaranty Trust Co., fiscal agents, a new refunding issue of debentures, maturing in 10 to 24 years, and dated Dec. 31, 1937, will be exchanged at the same face value for unmatured debenture debt to the principal amount of $298,853. The new bonds will bear interest at present coupon rates to present dates of maturity and thereafter at 4½%. Cash payment of accrued interest at present rates will be made to Dec. 31, 1937.

For maturities of 1934, amounting to $10,281, cash payment of principal plus accrued interest at present rates will be paid, to dates of maturity and interest at 4½% thereafter to date to be set for payment.

Cash payment of principal of $23,858 of 1935 maturities is to be made, plus accrued interest at present coupon rates to dates of maturity and thereafter at 4½% to date to be set for payment. Cash payment of accrued interest is to be paid on the balance at present coupon rates to present dates of maturity and thereafter at 4½% to Dec. 31, 1937, and for principal new one to two year 4½% refunding debentures dated Dec. 31, 1937, for the same amount will be exchanged.

Of the 1936 and 1937 maturities cash payment will be made on $545 of principal plus accrued interest at present coupon rates to date set for payment and the balance of $71,011 will receive new 4½% two to nine-year debentures dated Dec. 31, 1937, of same face value. Accrued interest will be paid in cash at present rates to dates of maturity and thereafter at 4½% to Dec. 31, 1937.

**Windsor, Essex Railway**

Under terms of the refunding of the Windsor, Essex and Lake Shore Electric Railway Association, the town relinquishes any claim to the assets of the Association and for its share of the liability under the bond issue, amounting to $95,810 is to issue new 4½% 20-year serial debentures for the same principal amount. Interest on these bonds to Dec. 31, 1937, will be met by a cash payment of $23,365, being at 4½% from date of last interest payment on bonds.

Of the town's share of the debenture debt, amounting to $9,581, new 4½% 20-year serial debentures are to be given for the same principal amount, and on interest to Dec. 31, 1937, a cash payment of $2,588 is to be made, being accrued interest at 6% to date of maturity and accrued interest thereafter at 4½% to Dec. 31, 1937.

The town's share of bank debts amounts to $17,246, for which new 4½% 20-year serial debentures of the same face value are to be issued. Interest on these debentures to Dec. 31, 1937, at 6%, is to be discharged by cash payment of $4,542, being accrued interest at 6% to date of maturity of collateral and accrued interest at 4½% thereafter to Dec. 31, 1937.

## Bond Redemptions

| Bond Issues: | Rate | Year | Due | Price |
|---|---|---|---|---|
| B. A. Oil ........ | a4% | 1945 | Sept. 1 | 101½ |
| Ham. Cotton, A | 5½% | 1948 | Sept. 19 | 103 |
| Ottawa L. H., A . | 5½% | 1957 | Oct. 1 | 103 |
| McColl-Fron., A . | 6% | 1949 | Oct. 1 | 103 |
| Wood, A. & J. . | *6% | 1944 | Aug. 25 | ... |

For sinking fund purposes:
a$225,500. *$25,200.

**STOCK REDEMPTIONS**

| | Rate | Class | Due | Price |
|---|---|---|---|---|
| Bk. of Canada .. | 4½% | A | Aug. 15 | $59.20 |

## Bond Tenders

**8 p.m., Aug. 15, Joliette, P.Q.** — $45,500, 4%, dated May 1, 1938, redeemable serially in 30 years. Camille Bonin, sec.-treas.

**5 p.m., Aug. 24, St. Colomb, P.Q.** — $96,000, 3½, 4 and 4%, dated June 1, 1938, redeemable serially June 1, 1953, 1958, 1963. F. M. Hackett, sec.-treas.

# Quebec May Sell New Bond Issue

## Expected to be in Market With $50 Millions Loan Next Month

From Our Own Correspondent

MONTREAL. — The Province of Quebec will probably be in the market with a large loan within the next month. The province is stated to be seeking about $50 millions.

The Quebec Government has a $12 millions maturity to meet Oct. 1 and a $5 millions maturity on Nov. 1. Funds will also have to be provided to meet capital expenditures on highways and for the farm loan board.

The exact amount of the farm loan board's commitments is not known. In March last, total advances amounted to $9 millions and a further $6 millions had been authorized. The total amount available to the board is $25 millions.

A considerable portion of the new loan will probably be in short-term bonds. Both the $12 millions and $5 millions maturities are short-term issues held largely by the institutions. The Oct. 1 maturity was issued in 1936 and the Nov. 1 maturity in 1935. They bear interest at the rate of 1% and 2¼% respectively.

## Noorduyn Aviation Plans Expansion

From Our Own Correspondent

MONTREAL.—Noorduyn Aviation Ltd. may make a public offering of common shares in the near future.

The company is a new Dominion incorporation formed to take over Noorduyn Aircraft Ltd., a private company. Manufacturing operations of the latter have been carried on at Cartierville, near Montreal, where it has had part of the Montreal Aircraft Industries plant under lease.

No definite announcement has been made, but it is understood the company plans to expand and to erect its own plant.

Noorduyn Aviation is capitalized at 200,000 shares, no par value.

## Saint John Dry Dock Awarded Dredging Job

From Our Own Correspondent

MONTREAL. — Saint John Dry Dock and Shipbuilding Co. has been awarded a contract by the Federal Department of Public Works to carry out dredging operations at Digby, N.S. The value of the contract is placed at about $33,222.

# *Duplessis to Develop Noranda's Power Site*

From Our Own Correspondent

MONTREAL. — Quebec Government plans immediate development of a hydro-electric project on a branch of the Upper Ottawa River, with an initial capacity of about 30,000 h.p.

The site to be developed is that of the Noranda Power Co., subsidiary of Noranda Mines. The former was incorporated in 1934 to develop this site, but negotiations with the Government were never completed. In June the Duplessis Government announced it would develop the site through the National Electricity Syndicate.

**Noranda a Customer?**

Extent to which Noranda Mines is to be compensated for handing over the site to the Government is not known. However, Premier Duplessis recently conferred with James Y. Murdock, president of Noranda, and F. A. Gaby, acting as consulting engineer of Noranda Power, S. A. Beaulne, chairman of the National Electricity Syndicate, and A. B. Normandin, head of the electricity branch of the Quebec Department of Lands and Forests, also attended the conference.

According to Premier Duplessis, half of the initial output of 30,000 h.p. already has been sold. No announcement has been made as to who has contracted for the power, but it is assumed it is Noranda Mines. Its contract with Northern Quebec Power Co. expired this year and Noranda is now buying its power on a monthly basis.

Noranda is understood to be now using around 17,000 horsepower, some of this generated by steam at Noranda.

The proposed development will be the first government-owned power plant in Quebec. The site to be developed is said to have a potential capacity of 120,000 h.p., but additional development will depend on power demand from mines in the area.

Private power companies will not be affected by the entry of the Government into the power business. It is not the intention of the Government to build power plants to compete with established companies. It will limit its activities to areas not already served, Mr. Duplessis has indicated.

# Municipal Finances

**Edmonton, Alta.**—City council has approved a programme of public works totalling $118,000 to be carried out with funds made available by the Edmonton debt refunding scheme adopted last year.

* * *

**Kamloops, B.C.** — Collection of 1938 taxes by the city of Kamloops is running about even with that of 1937, but payment of arrears has declined, it is reported. Receipts and expenditures for the six months ended June 30, 1938, indicated a healthy condition, being close to budget figures.

Current taxes collected amounted to $121,760 or 76.93% of the levy, as compared with 75.68%. Arrears paid total $10,938, representing 22.94% of the arrears on the books, as against 30.25% collected on the same date in 1937.

Kamloops with a population in excess of 6,000 has a funded debt of $1,063,943 as at Dec. 31, 1937. Net debt per capita equals $44.64. Sinking fund at the end of 1937 totalled $745,108, which was in excess of requirement by $10,165.

* * *

**Winnipeg, Man.** — Earnings of Winnipeg Hydro for the half-year period are reported to have shown a substantial increase over the corresponding period in the previous year. Both domestic and commercial services show an increase over 1937, reflecting an improvement in business conditions.

Sales of electricity to municipal departments, where curtailed budgets have made it imperative to reduce operating expenses, have dropped. Customer sales are up approximately $50,000, and sales to municipal departments have decreased $1,200.

Expenditures have been reduced materially, assisting in building the surplus for the six months to nearly $200,000. Additions to reserve of over $400,000 bring these accounts to $13,800,000.

With prospects of good crops and revived business, it appears likely that the city's objective of a $350,000 surplus for 1938 will be reached.

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A FAREWELL TO RECESSION IN CANADA

"The low point was reached in February and since that time the Canadian index has risen by 5.3 per cent."
THE HONOURABLE CHARLES A. DUNNING, Minister of Finance,
Budget Speech, House of Commons—June 16, 1938

●

THE SPECTACLE of a quick recovery from passing business ills is nowhere more notable than in Canada. Normal sales and merchandising efforts have been rewarded in many cases with better than normal returns.

SCANNING THE NEWS headlines of current trade, upward sales trends are significant of a rising index in Canadian Business. Here are some of the latest figures available:

MANUFACTURING OF FOODSTUFFS increased 5.5% in May; sugar refining reported the largest May volume since 1925; cheese, largest volume since 1928; creamery butter, largest volume since 1932.

BUSINESS FAILURES during April totalled 47, the fewest in twenty years. No failures were reported in nine of the sixteen major cities. There were 38% fewer failures among manufacturers and 58% fewer in the retail trades.

AUTOMOBILES—May sales are ahead of 1937 in both Ontario and Quebec, representing 61% of Canada's population. Commercial car sales are up 30% in Ontario, 21.6% in Quebec; passenger car sales are up 3.8% in Ontario, 6% in Quebec. One truck manufacturer reports 1938 sales for all Canada as 41% ahead of 1937.

TIRES—Two large tire companies report increased sales for first half of 1938.

STEEL—Algoma Steel reports a sales increase of 34.2% for the year ending May, 1938, compared with 1937.

AGRICULTURAL IMPLEMENTS—Massey-Harris sales in Canada have increased materially over totals for 1937.

LUMBER—British Columbia lumber exports are up 50,000,000 board feet over the first six months of last year.

FOODS—A leading grocery chain reports gross sales for the year ending May, 1938, as 15.6% ahead of 1937.

COSMETICS—One leader reports sales on four major products as: even with 1937 on one product, 11% increase on another, 13% increase on a third and 19% increase on a fourth.

●

STOCKS—Upward trends have shown the following percentage gains—June 30 over March 31, 1938:

Industrial average 19.5%, Pulp and Paper 73.8%, Milling 33.2%, Machinery and Equipment 30.3%, Building Materials 32.9%, Industrial Mines 27.7%, Utilities 18.3%, Foods and allied products 10.9%, Oils 10.6%, Textile and Clothing 8.5%.

DOMINION BONDS rose in May to a new high for the present century.

DIVIDEND PAYMENTS for the first six months of 1938 were 5% higher than for the first half of 1937.

EMPLOYMENT INCREASED more rapidly than industrial production for the first time since 1929. The seasonally adjusted index of employment for May, 1938, stood at the following increases over the base year: Average 111.9; Manufacturing 110.2; Wholesale Trade 118.6; Retail Trade 138.4; Logging 121.9; Mining 156.7; Construction 107.7.

UNEMPLOYMENT IN CANADA has shown marked seasonal improvement. Number of employables on relief decreased in April by 31% and aggregate relief totals, all classes excluding agricultural relief, decreased by 24.2%, compared to April, 1937.

BUILDING PERMITS recorded the most active May since 1931, current figures being 121.41% of those for May, 1937. Further increases in employment are expected from stimulation of the construction industry by new housing and municipal assistance legislation.

SALES TAX OF 8% was completely removed, June 17, 1938, from all major products used for the building of houses—lumber, steel, masonry, paints, glass, hardware, plumbing fixtures and furnaces are among some forty classifications now enjoying complete exemption from this tax.

●

FARM PRODUCTS FOR ALL CANADA had a combined net value in 1937 of $681,000,000, only $9,000,000 less than in 1936 and higher than in any other year since 1930. Favourable agricultural conditions in other parts of Canada did much to offset the losses of the Canadian West where the 1937 harvest yielded barely 50% of the average annual wheat crop of the preceding ten years. In contrast to the 1937 drought losses in Saskatchewan, the gross value of agricultural products increased 56% in Manitoba, 19% in Alberta over 1936.

NEARLY IDEAL CONDITIONS in the West are this year pointing to the greatest harvest in many years. Saskatchewan has already staged a comeback in the cheese industry with production for the first four months of 1938 showing an increase of 27.8% over 1937.

CANADA'S MAGAZINES

SELL CANADIANS

NORMAL EQUILIBRIUM between farm prices and other prices has been restored.

●

MINERAL PRODUCTION of $457,000,000 in 1937 was 26% over 1936 and a new record. For 1938 the estimate is $475,000,000, with thirty new gold mills coming into operation this year.

OUTPUT INCREASED during the first four months of 1938, as compared with the same period of 1937, as follows: Gold 12%; Silver 8%; Copper 22%; Nickel 3%; Lead 1%; Zinc 28%. Aluminium exports for the first five months of 1938 were 29% above the comparable total for 1937.

CRUDE PETROLEUM production in Alberta, so far this year, more than trebles that of 1937. Official figures for the first quarter of 1938 show 1,313,515 barrels produced compared with 430,324 in the first quarter of 1937. Potential yield expected before the end of July is put at well over 50,000 barrels daily.

●

CANADA'S TOTAL national income for 1937, estimated at $4,830,000,000, represents an increase of 13 per cent. over 1936.

CANADA'S IMPORTS INCREASED, in the fiscal year ended with March, 1938, from $671,000,000 to $799,000,000; her exports from $1,074,000,000 to $1,084,000,000; her total trade from $1,746,000,000 to $1,883,000,000. These figures are for merchandise; gold coin is not included.

CANADIAN FOREIGN TRADE IMPROVED during the twelve months ending May, 1938, producing a favourable trade balance of $259,859,636. Imports for the period increased 10.9% over 1937; Foreign Exports increased 38.2% against a decline in Domestic Exports of 6.3%. Total trade showed a fractional gain of .8% over 1937, with substantial gains of 24.5% over 1936 and 40.4% over 1935.

EMPIRE TRADE increased also in both exports and imports during the twelve months ending May, 1938; Exports increased .8% over 1937 and 23.7% over 1936; Imports increased 4.6% over 1937 and 25.5% over 1936.

●

"THE CANADIAN ECONOMY", to quote the Budget Speech, "has given a good account of itself. The physical volume of business, which is our most comprehensive measure of current economic activity, expanded by 4% from March to August and by nearly 4% additional between August and November (1937). In December a moderate decline set in and by April (1938) the index of the physical volume of business in Canada was about 9% below that for April, 1937. The low point, however, was reached in February (1938) and since that time the Canadian index has risen by 5.3%."

In view of improved business and crop conditions, prospects for increased sales in Canada for the coming Fall are decidedly good. They justify increased sales and advertising activity now.

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Canada, United States, Mexico, British Empire, $5 per year, all other countries, $6.

MONTREAL—Dominion Square Bldg., Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.
GREAT BRITAIN, London—Sun of Canada Bldg., 2, 3 and 4 Cockspur St., London, S.W.1. Telegraphic Address, Atabek, Lesquare, London.

TORONTO, AUGUST 13, 1938

### The Financial Post's Platform for Canada

*Balanced budgets.*
*A modernized constitution.*
*Extension of Empire trade.*
*Integrity in meeting public obligations.*

### The New National Policy

TO APPRAISE the policy of Dominion aid to western wheat growers as mere political expediency is to disregard its real significance as a new national policy.

True, Mr. King has an election to win in 1939. True, some gesture to frayed western morale seemed inevitable. But the new minimum price wheat policy strikes much deeper.

* * *

When drought or disaster visit primary producers such as prairie wheat growers, the public conscience and pocketbook stand ready to help. National wheat policy and prairie relief bills over the past few years attest this fact. But when Nature pours forth her bounty as she has this year, recourse to public marketing and the public purse for support seem hard to justify.

The only way in which it can be justified is to argue that something must be done to offset the "wedge" that has been driven intermittently over 60 years between primary and secondary industries, by tariffs, labor legislation and social welfare policies.

* * *

Carried to its logical conclusion, this new national policy respecting wheat commits us to put artificial props underneath all primary producers.

If, lacking any local or national emergency, the public purse is to be used to ensure a minimum price to wheat growers, why should we draw the line there?

Are we not equally committed to do the same for our fishermen, our livestock producers, our lumber industry, our miners, our potato and tobacco growers and all other producing groups?

What is to be the end of it all?

How long can such a policy of lifting ourselves by our bootstraps continue?

* * *

Admittedly it is in the interests of national unity that everything possible be done to balance Canada's manufacturing "centre" against the "extremes"—economically as well as financially; to ensure that workers in farm and forest, in mines and on the sea be given equal opportunity with those who work in trade, commerce and industry.

But can Canada raise the level of all her citizens by artificial devices such as a guaranteed minimum price, without eventually raising her costs of production to a point where export trade—the cornerstone of our economic existence—is jeopardized?

* * *

These are questions which make the new national wheat policy a matter of far-reaching significance.

They suggest the time has come when Canada should hold a thorough economic stocktaking to determine whether national policy as being developed today has in fact become a "dead hand" rather than a means to greater wealth and prosperity for all.

### Preferred Treatment for Veterans

ONE of the resolutions approved by the Canadian Corps Association at its reunion in Toronto recently made a plea for "immediate, constant and preferred attention" being given to the problems of ex-service men and their dependents by governments and employers.

Text of the resolution was as follows:

> "The Canadian Corps Association demands that the special and increasing problems of employment, pensions, hospitalization and welfare of ex-service men be given immediate, constant and preferred attention by Governments and employers, to ensure that the ex-service man and his dependents will not continue to be at an unfair disadvantage through the sacrifice which he willingly accepted in the service of King and Country."

The framers of this resolution were well within their rights in putting forward this claim. It expresses sentiments with which most Canadians will be heartily in accord. It is relatively moderate in tone in that it suggests preferred attention to "problems" of ex-soldiers rather than seeking preferred treatment of the men themselves.

What must be avoided in policies and leadership of the Association is any indication of resort to political racketeering of kind that has made its appearance in veteran circles in the United States. So far the Association has turned a deaf ear to the promoter type of counsel which has urged support of soldiers' "bonus" and similar types of payment.

Canadians are glad to pay the $50 millions required annually to meet the cost of war pensions, Soldiers' Civil Re-establishment, etc. They are glad to co-operate so that veterans shall not "continue to be at an unfair disadvantage" through the sacrifices they have made.

They have little sympathy with any group or organization which tends to use war experience or suffering as a lever for selfish political ends.

### Holidays on Monday

ONLY one argument has yet appeared in any press comment against The Financial Post's proposal that all holidays (except Christmas and New Year's) be made to fall on a Monday. It is that there is a sacredness or a sentiment, associated even with national dates of secular origin, that must not be violated.

But how true is this?

There has been no hesitation on the part of the country to select an arbitrary date in June to celebrate the birthday of our sovereign, a birthday that actually falls in December.

Those who are appalled by the thought of moving a holiday off a date that has intense historical or sentimental significance might ponder upon the fact that the second most important date in the Christian calendar has for ages been fixed arbitrarily without relation to our man-made calendar. This is Easter which used to be observed upon a fixed date, but now falls upon the Sunday following the full moon next after the vernal equinox. The Christian churches were split for centuries upon the date of Easter but one never hears any hair-splitting on the question now.

If it is possible to fix Easter in a certain part of the week, surely we can do the same for Empire Day, for our national birthday and for Remembrance Day!

### National Tourist Policy

A CO-ORDINATED national effort for the promotion and maintenance of Canada's tourist traffic is needed.

Quoting the report that July tourist traffic was below that of the same month last year The Ottawa Journal says:

> "Canada is not taking enough pains to please her tourist customers. In some of our provinces roads are still bad; in one province, Quebec, they are particularly bad. Tourists who come here are returning home to tell their friends not to come here. No amount of tourist advertising, no matter how fetching or how alluring, can overcome that."

It quotes also from a staff writer on the Chicago Tribune who took that paper's "road car" on a trip through the Canadian west. The item is worth repeating for those who complacently believe that Canada is looked upon as a tourist paradise by U. S. holiday-makers.

> "Until the Canadian roads are improved this department of the Tribune cannot recommend these resorts as motor tour objectives.
>
> "The Chicago Motor Club had forewarned us that we would find the provincial highways a bit rough and dusty. They were worse. The dust was blinding and choking. Washboard gravel shook vertebrae and car springs. Loose gravel and loose rocks covered many miles. Postpone your plans for a western Canada drive for a few years, until more work is done on the roads."

It is not to be expected that every part of every province can offer modern streamlined highway accommodation to touring visitors. Yet good roads and good accommodation are essential if Canada is to cash in on the money now being spent to advertise our scenic and historic attractions in the United States and elsewhere.

What has happened to the much-vaunted tourist development programme announced by the Federal Government, a few months ago?

What has been done to co-ordinate this with present provincial and local efforts?

Some common tourist policy to bring together not only the provinces but also our railways, hotels and other interested groups should be formulated.

If the Government were to implement the recommendation of its own National Employment Commission it would be making a start in the right direction. One of these recommendations was for the creation of an Advisory National Tourist Committee representing interested groups and provinces to head up a "co-ordinated national effort" in this direction.

### Sabotaging Democracy

RECENT "desecration" of the soldier's memorial park at the Toronto Exhibition grounds caused ex-soldiers to boast that they would mete out punishment themselves if the offenders could be found.

This, of course, is not proper. There are regular channels for dealing with offenders against the public peace. No groups, not even war veterans, have the right to take the law into their own hands.

But Canadians are becoming increasingly impatient toward continued attacks on what most people regard as Canadian principles. War veterans are especially sensitive. They must view with increasing resentment the activities of those who operate unhampered under orders from foreign powers whose principles run counter to our own.

Chief among these groups is the Communist organization. There are also Nazi and Fascist "cells" in Canada growing increasingly offensive, increasingly abusive of the hospitality afforded them on Canadian soil.

How long will Canadians permit these foreign groups to undermine democracy in this country? Must we wait until veterans take matters into their own hands before something is done?

If our own governmental authorities do not act to keep Communist and similar groups within reasonable bounds in Canada it may be difficult to avoid riotous outbreaks should strongly knit Canadian groups such as the war veterans take the law into their own hands to clean out the disturbers.

### Chance for an Inventor

A SMALL fortune awaits the inventor who can add two more years to the life of a rubber tire for farm tractors. At present the life of the average tractor is estimated at 10 years, the tire at 8 years. The lag assumes vital importance when one realizes that retiring would cost at least $250, and an eight-year-old tractor is worth considerably less.

Only recently have Canadian farmers been demanding rubber instead of steel treads on their tractors, but already the bulk of sales call for that sort of equipment. Even subsidiary machines, such as combines, binders, and mowers, are now being mounted on rubber.

Advantages appear overwhelming. In addition to more comfort and less dust, saving in fuel through better traction is placed at 20%. Even if they won't last as long as the machine carried, rubber tires are here to stay. In the meantime, manufacturers are confident that some enterprising country lad will rise to the occasion and solve their present difficulty.

### Henry Ford at 75

THOUSANDS of Americans paid tribute to Henry Ford last week. He celebrated his 75th birthday.

Had Mr. Ford not invented the automobile which bears his name, had he not "brought into being an industry that changed the world" he would today be considered by many people—especially in his own country—as a bit queer.

He still clings to "old-fashioned" theories and views regarding life and work. He still preaches the virtue of hard work, thrift, self-reliance and self-help.

Yet it is a good sign that amid the noisiness of New Deal philosophy and economics "Uncle Henry" is still thought of as the typical American. He continues to practise, as he preaches, a simple, homely philosophy of life, guided by what were once regarded as basic American "virtues."

In a country where Bigness in business is held synonymous with Badness, Henry Ford—the world's greatest living industrialist—still commands respect and admiration.

### Editorials in Brief

**Premier Dysart** said last week there would be no general election in New Brunswick in 1938.

Subject, we presume, to the sort of qualification made a few days previously by Prime Minister King, that: "There occurs some eventuality of which there is at present no sign or likelihood."

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**It's curious** how closely the cigarette consumption figures tally with those of our national debt. Both were under the billion dollar mark in pre-war days. Both have risen now to around the seven billion mark.

But there's one major difference. At the depression depth, cigarette consumption dropped to a mere 3.7 billions while debt totals kept right on climbing.

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**Lord Runciman's** visit to Czechoslovakia is said to have been timed "at just the time of year when wars usually start." He arrived in Prague just one day earlier than the day on which the Great War started in 1914.

One reason wars are a greater potential threat now than at other times of the year is because of harvest. When crops are safely garnered in and agricultural manpower is released the war-makers gain additional confidence.

Another reason is that at this time of year most "statesmen" are away. Judging by present indications, those on duty are in for a busy August this year.

* * *

**Franklin D. Roosevelt,** like his distant cousin the illustrious "Teddy," is being rated as the "Precedent-breaking President." The list of precedents he has broken grows every month. It has now reached formidable proportions.

All of which makes it easier to break the most important presidential precedent of all—the third-term candidature.

* * *

**The Sandwich, Windsor & Amherstburg Railway** has been modernizing its system by the introduction of a new fleet of buses. It is liquidating its old rolling stock by selling street cars at $75 or $100 respectively, depending on their size. Large display advertisements in the Windsor Star boast that these:

> "Can be used for summer cottages, playhouses, fruit stands, highway restaurants, tool houses and other purposes."

Perhaps Canada might reduce her railway deficit by making similar disposition of some of the obsolete railway rolling stock we see on the tracks or in sidings from time to time.

## Sayings of the Week

"The Devil is the Jew."—*Herr Streicher.*

* * *

"I think business will go ahead with stronger strides in September."—*Henry Ford.*

* * *

"Complicated things have to be said in a complicated way."—*Sir John Simon.*

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"Cleopatra, with all her wealth, never knew the convenience of a zip fastener." — *Lord Southwood.*

* * *

"The deaths for which cyclists are blamed are almost entirely their own."—*Herbert Stancer.*

* * *

"Anything a peer does is labelled by the public as the work of an amateur."—*Lord Killanin.*

* * *

"It is only a step from loving the flower and picking it to loving a flower and leaving it where it grows."—*Lord Iddlesleigh.*

* * *

"I like Canadians. Canadian workmanship is among the best. I like the stability of things over there. I like the common sense of your people. Besides, you have a fine country."—*Henry Ford.*

* * *

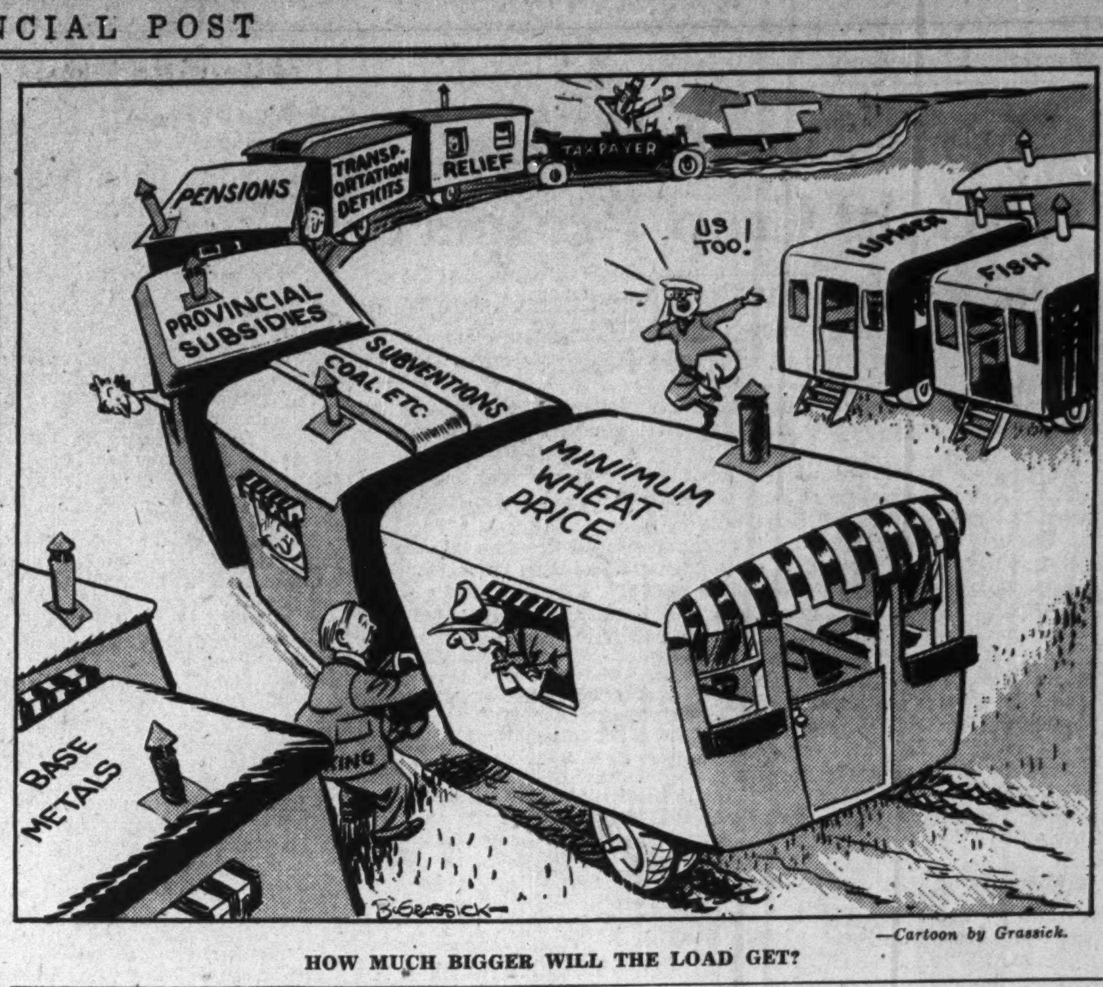
"I regard the tariff aspect as relatively unimportant in relation to the problem presented by the increased production in the Turner Valley."—*Hon. C. A. Dunning.*

* * *

"The Democrats have proved again and again that they can conceive high ideals and enact far-reaching reforms. They have more ideas than we have but they do not seem to be able to make the ideas work. We will not repeal the sound reforms of the New Deal. We will put people back to work."—*Bruce Barton.*

* * *

"When a nation expends the results of its labor in non-wealth producing enterprises through political agencies rather than in the development of new industries through the imagination and courage of its individual citizens, there can be no progress."—*Merle Thorpe.*



—*Cartoon by Grassick.*

HOW MUCH BIGGER WILL THE LOAD GET?

# Post-Scripts . . . .

### *Promotion*

It was a wartime "Blighty" that catapulted Arthur Maurice Wiseman into the Department of Overseas Trade in London just 20 years ago. That same "Blighty" still causes him to limp badly; prevents him from taking any form of exercise.

A. M. WISEMAN

It has not hindered him in his upward climb in the British Trade Commissioner service. On Aug. 4 he officially became H.M. Senior Trade Commissioner in Canada and Newfoundland—a well-earned reward after 18 years of active service in Montreal, Winnipeg and Toronto.

* * *

Arthur Wiseman is a Carthusian—which means to the uninitiated that he was educated at the famous British Public School of Charter House. The son of an English clergyman he had barely finished his schooling at Charter House and Oxford when war broke out. He joined the Royal Fusiliers as a private, but after winning a commission and the M.C. he was forced to retire from the service when shrapnel caught him in the groin, thus costing the use of his left leg.

Had the leg been amputated there would have been virtually nothing left on which to hang an artificial limb. So Wiseman decided to take his leg with him to the Department of Overseas Trade which had been formed the year previous as a joint creation of the Commercial Intelligence Branch of the British Board of Trade and the British Foreign Office.

Two years later he was sent as assistant trade commissioner to Montreal. In 1923 he moved to Winnipeg as officer in charge. In 1929 he came to Toronto as a full-fledged trade commissioner.

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Since January, 1937, he has been acting Senior Commissioner at Montreal, replacing Fred Field who now retires from the service as a result of a stroke suffered a year and a half ago. Mr. Wiseman is now in England and when he returns to Canada in December, will take up his residence permanently at Montreal.

Mr. Wiseman is 45. He is a bachelor, with as merry a twinkle in his eye as any man of our acquaintance.

His services to Britain in Canada may prove especially valuable one of these days because in 1935 he was granted special leave to spend a year at the Imperial College of Defence in England. This special training is given to those who may be needed to form a nucleus in time of war. It enables officers and officials from various government department to see and study at first hand the entire system whereby Britain co-ordinates her resources and manpower in time of emergency.

* * *

### *J. B. Greaves*

To succeed Mr. Wiseman at Toronto comes J. B. Greaves from Winnipeg.

He, in turn, is being replaced by W. H. Oldham, who is being transferred from Sydney, Australia. Mr. Oldham went to Sydney from Dublin, which was his first major job in the service.

Mr. Greaves does not believe in the adage "life begins at forty." When we asked him his age he replied: "the wrong half of the forties."

This does not mean he feels he is getting old. He is still young enough to join in a brisk game of tennis and badminton, although he claims to have been extremely unsuccessful in both games. He also plays golf, but the only reason he took this game up was the intense heat in Winnipeg last summer.

While in Toronto he may even enlarge on his sport accomplishments. He wants to learn skating and it was only his transfer from Winnipeg last year that prevented him from testing the ice at Winnipeg's famous Winter Club.

* * *

During most of his working days Mr. Greaves has been engaged in developing British overseas trade. From 1919 to 1931 he served in the Department of Overseas Trade of the British Government at headquarters in London. From 1931 to 1934 he was Assistant Trade Commissioner at Vancouver. In 1934 he returned to headquarters and in 1935 he made a special investigation of trade conditions in Cyprus, Malta and Gibraltar.

In 1937 he returned to Canada as Trade Commissioner at Vancouver. Since that time he has not been very long in any one place. After seven months in Winnipeg he was transferred to Toronto to pinch-hit for A. M. Wiseman, who had been similarly drafted to Montreal to handle Fred Field's work. After four months in Toronto he went to Montreal to serve as Acting Senior Trade Commissioner. He will remain in Montreal until the end of the year, when he will take up his new duties in Toronto.

He is a graduate in economics from University College of Wales and London University.

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### *Fred Field*

It is hard for many Canadians to take official leave of Fred W. Field, C.M.B., who has been a trade liaison officer between Canada and United Kingdom for 30 years.

F. W. FIELD

It is said that Fred was attached to the British civil service away back in 1903 or thereabouts, but that he became impatient with the red tape and lack of prospects and threw up the job. He struck out for Canada and got a job as a newspaper reporter.

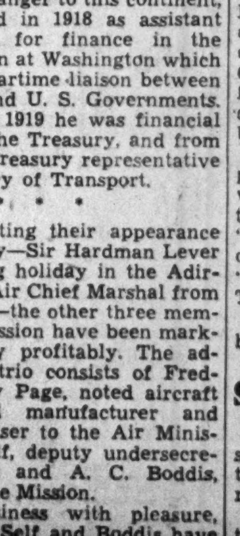
Within a year he was editor of the Monetary Times and shortly after was appointed Imperial Trade correspondent in Toronto for the Commercial Intelligence branch of the British Board of Trade. Similar correspondents are now maintained at Quebec, Calgary, Halifax and St. John's, Newfoundland.

In 1924, after six years as Trade Commissioner at Toronto, he was appointed H.M. Senior Trade Commissioner for Canada and moved to Montreal. Until he suffered a stroke something more than a year ago he had been the driving force and spearhead of the British trade service in Canada, during the time of greatest trade growth in the history of the two countries. His ruddy, cheerful countenance has been a familiar sight at every important trade gathering affecting British interests in Canada for almost a generation. Apart from his special reports on Canadian trade he published in 1912 a volume "Capital Investments in Canada," the first study of its kind and forerunner of the valuable complex studies made annually on this subject by the Dominion Government and other authorities.

* * *

### *Armament Scouts*

Full complement of the British Air Mission assembled in Canada for the first time this week. The three members who have been here for 10 days or so were joined by Sir S. Hardman Lever, financial authority and head of the mission, and Air Chief Marshal Sir Edward Ellington, who will pass on the performance requirements expected from any British war planes to be produced in the Dominion.



F. HANDLEY PAGE

Sir Hardman has long had a special tie with Canada, through his marriage nearly 40 years ago to Miss Edythe Gault, daughter of Hamilton Gault, of Montreal.

He is no stranger to this continent, having served in 1918 as assistant commissioner for finance in the British mission at Washington which maintained wartime liaison between the British and U. S. Governments. From 1917 to 1919 he was financial secretary to the Treasury, and from 1919 to 1921 Treasury representative at the Ministry of Transport.

* * *

While awaiting their appearance in this country—Sir Hardman Lever from a fishing holiday in the Adirondacks, the Air Chief Marshal from New Zealand—the other three members of the mission have been marking time very profitably. The advance guard trio consists of Frederick Handley Page, noted aircraft designer and manufacturer and technical adviser to the Air Ministry; A. H. Self, deputy undersecretary for air; and A. C. Boddis, secretary to the Mission.

Mixing business with pleasure, Messrs. Page, Self and Boddis have been travelling almost continuously since they reached the Dominion. After various conferences at Ottawa with government officials and representatives of manufacturers, they set off to inspect aircraft plants at Montreal, Toronto, Hamilton and Fort Erie. In this way, much valuable information has been assembled for consideration of the Mission as a whole. It should facilitate the task of determining Canada's capacity to produce planes for Britain.

* * *

### *Almost a Holiday*

The advance trio regarded the past week or so as almost a holiday, and found time to play golf, visit Niagara Falls and other points of interest, and make friends. A good deal of their time they have had to devote to fending off persistent newspaper reporters, inventors of "revolutionary" aircraft equipment, and would-be sellers of plants wholly unsuitable for aircraft production.

One self-proclaimed inventor sought to interest Mr. Page in design for an aircraft which allegedly would run without gasoline. And a newspaperman quite disconcerted the quiet-spoken Mr. Self by pursuing him first to his breakfast table, later in the day to a hotel washroom and interviewing him while he had his shoes shined. Another scribe violently jarred what Mr. Page jovially calls his "deep rooted democratic principles" by referring to him in print as "Sir" Handley Page.

* * *

For the most part, however, the peregrinating three fifths of the Mission was amused and intrigued by the attention paid it. And the fending off process invariably proved to be a pleasantly enlivening and educational process. It was an experience, for instance, for a reporter to be told by Mr. Self that he could not discuss the plans of the Mission in detail because he was "only a civil servant." (As deputy undersecretary for air, he has one of the most responsible jobs in the Air Ministry). Mr. Self is tall and ruddy-faced, amiable but firm, with a disarming but judiciously utilized smile.

* * *

### *Handley Page*

An encounter with bald-headed stocky Handley Page may be inadequately described as invigorating. His boundless energy and alertness find frequent outlet in animated conversation, marked by a fluent command of English, an inexhaustible fund of anecdotes, and an irrepressible sense of humor.

News hungry reporters found it took persistent pressure to force him into his serious rôle as managing director of Handley Page Ltd., chairman of the Society of British Aircraft Constructors, vice-president of the Royal Aeronautical Society, vice-chairman of the Royal Aero Club, etc., etc. All too often he would parry enquiries about the Air Mission's plans with a bit of lively doggerel.

Perhaps his good humor was inspired in part by the fact that his company recently declared a new fully-paid common stock dividend equivalent to a 50% bonus. The board also recommended a final dividend of 20% on the new common stock—tax free. It follows a 100% scrip bonus issued last December. In addition an interim dividend of 10% (less tax) was paid in October. Total distribution for the year is equal to about 65.2% gross on the old capital stock of the company.

* * *

### *Another Page*

Canada is also playing host to another distinguished "Page" this month.

He is the Rt. Hon. Sir Earle Christmas Grafton Page, P.C., G.C.M.G., M.B., M.P.

An eminent surgeon and statesman who served with the Australian forces during the war he is now Deputy Prime Minister and Minister of Commerce in the Australian Federal Government. He is visiting Ottawa and Washington en route from leading the Australian trade delegation which recently visited United Kingdom.

When the two "Pages" met at a public luncheon at Toronto this week, F. Handley Page paid tribute to his illustrious namesake from "down under" (who was the speaker of the day) then remarked wittily: "I am merely the preface of the Page. The volume will now commence."

Incidentally it was Sir Earle's 58th birthday.

## Stop Me If . .

Mistress: "If the master brings some more of his friends to dinner tonight, Mary, are you sure you're ready?"

Cook: "Quite sure, ma'am. My trunk's packed."

## In the Mail . .

### Bread and Champagne

Editor, The Financial Post:

It was with considerable surprise that I read in your issue of July 23 the editorial on "Bread and Champagne" in Russia, because in it I note the unfairness with which you deny the Soviet Union the convenience of quoting wage-scale comparisons without reference to purchasing power, while claiming that right yourself.

You are the last person to poke fun at the Russian, for not long ago you referred in your editorial on the Textile Commission Report to the Geneva Labor Office figures on comparative textile operatives' wages in various countries—these figures being based on gold, but with no reference whatever to what the purchasing power of the wages was. You pointed out with evident relish the high wages in North America, but failed to point out the worthlessness of such comparisons, the compiling of which is only one of the many useless things being done at Geneva.

Wages in Canada, for instance, may be higher than in England, but when the inferior quality of the food and the beer is taken into consideration, and the high cost of these and of rent, medical services, clothing, yea, even of a haircut, how much better off are factory operatives?

S. A. NORRIS.
Drummondville, P.Q.

## As Others See Us . . . .

### Convention Common Sense
Marketing, Toronto

There was an almost complete lack of participation by the senior men of the big underwriting houses at the recent convention of the Investment Dealers Association of Canada, observes The Financial Post, adding the editorial comment: "The association would be strengthened and better able to deal with the admittedly serious problems to be faced if more active leadership were given by the men at the top."

There are few conventions to which the observation does not apply.

### Nebraska's Example
Sault Ste. Marie Star

Nebraska, which has no state debt and which pays as it goes, is the subject of an article in the Toronto Financial Post, which might be studied by legislators in many departments of public affairs with considerable profit.

"Everything is paid for in Nebraska," says the article, "for the state not only has a constitutional prohibition against debt, but its voters have an inbred dislike against paying interest, which is personal as well as political."

### Nebraska, the "White Spot"
Montreal Gazette

Hearing that the State of Nebraska had been steadily reducing taxation while everywhere else on the continent the tax burdens had been increasing, The Financial Post of Toronto sent a member of its staff to Lincoln with the question, "How come?" The answer is heartrending, though not from the standpoint of the Nebraskans. It shows what can be done, what actually has been done by a people who made up their minds to put their state upon a cash basis and carried that determination into every department of public finance. They have no debt, no sales tax, no income tax, no nuisance taxes. They refuse to undertake enterprises they cannot afford. Nebraska has a splendid highway system built and maintained at low cost and paid for as built. Everything is paid for as soon as finished, the magnificent State Capitol, one of the outstanding buildings of the continent, being in this category. It cost $10,000,000 and was paid for in cash. Nebraska now calls itself the White Spot.

It is not the story of a miracle or of the discovery of any new principle in public finance. It is merely the record of a very old and very simple principle and of its application by a people who have taken the taxation question into their own hands and have solved it by cutting their garment according to their cloth.

What has been done and is being done in Nebraska could be repeated, at least substantially, in any other taxpaying community, provided the people in it had the same objective and the same resolute determination to reach it. But Nebraska, we gather, is a poor place for politicians.

### Red Flag Law
Canadian Motorist

The Financial Post and other competent non-partisan commentators have pointed out that the failure of the railways to march with progress is not the least of the causes of their financial embarrassment. Consonant with what has been indicated time and again in these columns, The Post declares: "most of Canada's railway equipment is obsolete. . . To modernize our railways will cost hundreds of millions of dollars." It also points out that the rails have wasted hundreds of millions. In other words they have prodigally dissipated funds that would have modernized them.

Canadian rail management with that inefficient and uneconomical record as its credentials, gratuitously and pontifically tells sovereign governments how rail transport should be regulated! Many a passenger in a Pullman smoker "tells the world" just what Chamberlain should do and many a man lacking the wit to regulate his own household has undertaken to shatter "the sorry scheme of things entire" and mold it nearer to the heart's desire. One wonders at times whether such as these are even more deficient in humor than sagacity.

Rail-procured lethally-restrictive legislation—the red-flag 2-mile-per-hour speed-limit law—alienated from England the world leadership in the automotive industry that her inventive, engineering and industrial genius would have assured. That was last century. The rails are long in retrospect. Perhaps they are infatuated with the red flag-law spectacle. Perhaps it inspired their proposal that motor taxation be greatly increased. In any event that proposal is as futile as fatuous.

## Week in Business

# Fall Prospect Clears For Business Activity

### Removal of Uncertainty in Regard to Crop Volume and Prices Assures Moderate Further Advance, Though Below Earlier Hopes

Canadian business movement since signs of the upturn in June has tended to be irregular on the whole, and in some respects has failed to measure up to the hopes aroused six weeks ago. Various indices of business activity have moved upward, but not briskly enough to suit the optimists; while others continue to drag disappointingly behind last year's levels.

The net result, however, has been that the promise implied in the June signals has been borne out by a natural, moderate advance. This has been based on revived confidence and demand rather than overenthusiastic expectations. A gratifying feature of the adjustment, which contrasts with the somewhat sprightlier recovery in the United States, has been that such gains as have been made have, in the main, been consolidated and hold promise of further advance.

* * * *

Cautious nature of the recent trend has also left a sounder foundation for future outlook than if business had gambled on rosy mid-June prospects for the western crop, for revived consumer buying, for expanded demand for primary industrial needs. It is now evident, for example, that the prairie wheat crop prospect has been modified by hail, rust and pest damage considerably below the bumper estimates of a few weeks ago. At the same time, it seems assured that harvest will be above average and definitely better than the past several years.

In the light of the current position, the improved purchasing power that will accrue from the larger crop should be directly reflected from now on in a sound advance of the primary indices. Had business overplayed the brighter tone in June, considerable accumulation of secondary stocks would have to be cleared away before basic improvement occurred.

* * * *

Adjustment of the crop volume prospect and settlement of the Government price peg uncertainty have served as the chief factors to clarify the outlook for Canadian business. Adverse elements are not lacking, such as likelihood of comparatively low prices for grain. This springs from prospect of fairly large harvests throughout the world, and decision of the Government to market wheat board purchases at open market levels. Nevertheless, all signs indicate crops that will restore self-sufficiency in the West over a far wider area than for several years.

This broadened purchasing power and its effect on other sections of the country give assurance that the limited improvement of recent weeks will be continued into the fall and early winter. Particularly in the durable goods field, consumer demand has been sluggish and preparations to meet fall requirements have been held up pending clarification of the crop picture, the steel price situation, the commodity price readjustment, and other factors.

* * * *

In both Canada and the United States, reports are that necessitous consumer buying in June and July is being supplemented by revived activity in primary markets. Demand is picking up for basic requirements in the textile, furniture, automobile and other industries. Steel production is already reflecting expectation of auto producers that upturn of lagging sales in July will be accelerated in the fall, especially if appearance of new models should be advanced from November to October.

If Europe can stave off war and the Anglo-U. S. trade treaty holds nothing seriously adverse to Canada, the going for Canadian business should be fairly good for the next few months. The domestic picture will be much brightened if recovery trends can narrow the 30% lag in world trade and the almost parallel decline in Canada's foreign business. Important factor in this regard is the extent to which United States imports, off 43% in the first half of 1938, are expanded between now and spring.

## Business Indicators

**Current business** quickening, with July-end D. B. S. index edging fractionally ahead of previous week to narrow lag behind same period last year to 3.3 points. Similar decline previous week, 5.6 *points*.

**Carloadings** still failing to respond to rising grain and ore shipments, declines in other shipments pulling total for fourth week in July below previous week, 11% under same week last year.

**Railway revenue** off 13% in report for last week in July, C. N. R. gross earnings falling 17% under same week year ago, C. P. R. receipts down 7%.

**Bond sales** total for July reflects greater interest in stock dealings, dropping 11% under July, 1937.

**Sugar production** continues to run well ahead of last year's volume, manufacture in four weeks ending July 16 advancing 28%.

**Flour production** report for June shows some activity, volume falling only 3% under same month last year.

**Retail trade index** for June moves up four points over May, to same level as June, 1937; approximately same movement shown by wholesale index for same month.

**Current trend** in Canadian business shown by The Financial Post index of business activity, with new figures for the week marked thus▲.

| | Aug. 6 | July 30 | July 23 | July 16 | July 31/37 |
|---|---|---|---|---|---|
| Weekly index, D.B.S. | .... | 106.8 | 106.7 | 108.3 | 110.1 |
| Commodity prices | 78.0 | 78.6 | 79.2 | 79.1 | 86.7 |
| | June | May | Apr. | Mar. | Year Ago |
| Financial Post index | 109.6 | 110.5 | 109.0 | 108.9 | 124.0 |
| Retail trade index no. of sales | 80.3 | 76.2 | 76.1 | 78.2 | 80.3 |
| Dept. store sales " | 74.5 | 73.4 | 75.8 | 75.5 | 77.5 |
| Wholesale index no. of sales | 100.3 | 95.5 | 89.4 | 87.8 | 100.4 |
| Country sales (% of gains) | 1.6 | °2.2 | 5.5 | 0.5 | 8.6 |
| **Employment D.B.S. Index—** | | | | | |
| | July 1 | June 1 | May 1 | Apr. 1 | Year Ago |
| All industries | 113.5 | 111.9 | 107.4 | 105.0 | 119.1 |
| Manufacturing | 111.8 | 112.3 | 110.6 | 110.8 | 119.0 |
| Living costs♦ | .... | $17.43 | $17.36 | $17.48 | $17.20 |

| | | | Jan. 1 to date | |
|---|---|---|---|---|
| **Railways—** | 1938 | 1937 | 1938 | 1937 |
| Carloadings, week (July 30) | ▲43,783 | 49,608 | 1,311,486 | 1,435,544 |
| C.N.R. gr. earn., wk. (July 30) | $ ▲4,732,931 | $ 5,680,737 | $ 96,936,277 | $ 111,659,299 |
| C.P.R. gr. earn., wk. (July 30) | $ ▲3,750,000 | $ 4,042,000 | $ 72,376,000 | $ 78,831,000 |
| C.P.R. net revenue (June) | $ 511,406 | $ 1,195,111 | $ 2,681,028 | $ 8,260,153 |
| C.N.R. net revenue (June) | $ •770,582 | $ 435,188 | $ •5,679,982 | $ 6,667,948 |
| **Iron and Steel** (June)— | | | | |
| Pig iron production (tons) | 64,375 | 78,278 | 404,158 | 423,944 |
| Steel ingots and castings prod. (tons) | 109,401 | 118,744 | 670,741 | 713,177 |
| **Automobiles** (Number)— | | | | |
| Passenger Cars: | | | | |
| Domestic sales* (June) | 9,235 | 14,380 | 61,023 | 76,662 |
| Factory output (June) | 11,014 | 17,919 | 76,102 | 97,563 |
| Trucks and Buses: | | | | |
| Domestic sales* (June) | 2,389 | 3,617 | 15,585 | 17,736 |
| Factory output (June) | 3,718 | 5,922 | 25,056 | 31,008 |
| Exports (June) | 5,795 | 6,809 | 34,960 | 34,487 |
| Financing (June)— | | | | |
| Used | $ 4,395,803 | $ 4,690,985 | $ 19,471,095 | $ 19,226,543 |
| New | $ 3,771,236 | $ 5,746,656 | $ 20,045,660 | $ 23,718,278 |
| **Construction—** | | | | |
| Production— | | | | |
| Cons. contracts (July) | $ 21,158,200 | $ 21,485,300 | $ 101,813,400 | $ 131,861,100 |
| Cement, bbls. (May) | 545,310 | 557,294 | 1,418,414 | 1,337,323 |
| Clay (May) | 379,824 | 379,967 | 1,135,561 | 1,110,631 |
| Gypsum, tons (May) | 110,515 | 113,570 | 178,673 | 215,930 |
| **Agriculture—** | | | | |
| Flour prod., bbls. (June) | ▲969,207 | 1,000,879 | 5,511,129 | 6,059,499 |
| Flour exp., bbls. (June) | 299,503 | 389,995 | 1,651,331 | 2,076,707 |
| Wheat exp., bus. (June) | 7,275,376 | 12,180,068 | 25,783,861 | 43,724,035 |
| Cattle sales (May) | 59,824 | 54,304 | 273,523 | 295,522 |
| Hog sales (May) | 59,396 | 79,135 | 320,651 | 439,876 |
| **Sea Fisheries** (June)—‡ | | | | |
| Catch, cwts. | 847,490 | 759,940 | 3,108,615 | 3,072,143 |
| Landed value | $ 2,110,240 | $ 2,083,670 | $ 6,079,732 | $ 6,741,348 |
| **Newsprint** (tons)— | | | | |
| Production (June) | 201,694 | 312,165 | 1,259,871 | 1,787,760 |
| Exports (June) | 194,520 | 306,645 | 1,103,286 | 1,631,583 |
| **Mining and Oils—** | | | | |
| Coal prod., tons (June) | 923,113 | 1,067,684 | 6,891,020 | 7,026,099 |
| Coal imports, tons (June) | 1,609,610 | 1,944,920 | 4,978,557 | 6,247,986 |
| Gold prod., fine oz. (May) | 381,089 | 340,125 | 1,827,475 | 1,628,356 |
| Nickel prod., lb. (May) | 18,620,908 | 18,432,389 | 92,667,972 | 90,426,601 |
| Copper prod., lb (May) | 48,429,331 | 41,561,784 | 243,558,959 | 201,055,674 |
| Crude pet. prod., bbls. (May) | 566,086 | 192,845 | 2,381,771 | 852,500 |
| Crude pet. imp. bbls. (June) | 3,931,485 | 4,461,568 | 13,451,461 | 14,364,284 |
| **Electric Power Output** (June)— | | | | |
| Total monthly m k.h.† | 1,973,155 | 2,255,338 | 12,715,039 | 13,756,132 |
| **Trade—** | | | | |
| Imports (June) | $ 58,946,698 | $ 75,668,684 | $ 336,692,235 | $ 380,815,689 |
| Exports (June) | $ 78,307,834 | $ 115,297,643 | $ 415,679,647 | $ 536,274,975 |
| **Other Industrial Factors—** | | | | |
| Dressed lumber, exp.: | | | | |
| M. bd. ft. (June) | 166,177 | 182,191 | 756,092 | 862,634 |
| Boot & shoe prod., pr. (May) | 1,923,773 | 2,239,211 | 9,232,083 | 10,257,149 |
| Cotton, raw, imports lb. (May) | 3,605,041 | 8,679,224 | 46,305,322 | 60,073,701 |
| Raw rubber imp., lb. (June) | 7,264,134 | 8,488,643 | 25,345,508 | 33,327,190 |
| Cigarette cons. (June) No.† | 631,524 | 628,744 | 3,231,858 | 3,055,861 |
| Sugar manufactured, lb.§ | ▲86,266,450 | 67,278,417 | 370,140,908 | 342,788,138 |
| **Finance—** | | | | |
| Bank debits (June) | $ 2,730,578 | $ 2,891,917 | $ 14,585,068 | $ 18,186,008 |
| Bond sales (July) | $ ▲96,976,124 | $ 109,714,875 | $ 722,828,361 | $ 829,097,565 |
| Life insurance (June) | $ 35,120,000 | $ 37,700,000 | $ 190,049,000 | $ 193,116,000 |

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For four weeks to July 16, 1938.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
♦For average family per week, food, fuel, rent. •Deficit. °Decrease.

## Youths Advised To Start on Own

More young people leaving schools and universities should be planning to set up their own business firms rather than waiting for someone else to give them a job, according to T. Taggart Smyth, general manager of the Montreal District and Savings Bank in a recent address.

Because educationists are still to a large degree giving education for education's sake rather than for having an agreeable passage through life, thousands of graduating youths are thrown on the world with vague ideas of their own future, adding to their own problems and to the nation's, he indicated.

"I have not met a single young man, within the last few years who thought that he might himself be an employer insead of a wage-earner and the few to whom I suggested the idea were rather stunned at the thought," Mr. Smyth declared.

## York Knitting Sales Decline

### Decrease of 11% Experienced in First Half of Year

Sales of York Knitting Mills for the first six months of the year decreased approximately 11% over those of a similar period in 1937, on a comparable basis. However, on the same basis, sales are nearly equal to those of 1936.

Net profit for the period, following depreciation, bond interest and taxes was about sufficient to provide dividends for the half year twice.

While unfilled orders on hand are light, it is anticipated that in the second half of the year, the company will experience a volume of business equal to that of last year.

The series "A" serial bonds due Aug. 1, 1938, have been redeemed.

On Aug. 1, 1937, York Knitting Mills and Zimmerknit Co. merged. The Zimmerknit Co. had functioned as a subsidiary since 1934.

Combined profit of the company and the acquired company for a full year's operations, before depreciation, bond interest and income taxes, amounted to $252,779 in 1937, as compared with $310,562 on a similar basis for 1936. Earnings per share amounted to $14.24 on the preferred and 14 cents on the common in 1937.

Dividends of 7% are being paid regularly on the first and second preferred shares. None has been paid on common since 5% a share was paid Feb. 25, 1930.

## Foreign Business

Business trends in foreign countries are summarized as follows in the weekly report of the United States Department of Commerce:

**Germany**—Industries continue to get stimulus from public orders and difficulties are met in obtaining sufficient raw materials and labor in some trades; foreign trade continues to lag, with imports in excess of exports.

**France**—Improvement in business sentiment has followed favorable reception of recent decree laws, but this better feeling has not resulted in greater business activity.

**Czechoslovakia** — Business recession continued through second quarter of 1938, though unemployment declined and carloadings gained seasonally.

**Bulgaria** — Last year's improvement was not maintained during first half of 1938, gains in foreign trade and production being offset by slower wholesale trade and less favorable agricultural prospects.

**Estonia**—The usual seasonal business expansion was not in evidence during the second quarter but foreign trade has been larger.

**China** — Export transactions involving exchange emanating from Chinese-controlled territory were at officially controlled stabilization rates in May and June, but imports are largely at open market rates, with a small proportion at stabilization rates; export prices have been abnormally low, although recently silk and tung-oil quotations have risen sharply.

**British Malaya** — A psychological stimulus was derived late in June and in July from substantial price increases for tin and rubber; foreign trade data, however, are available only through May and show a continued downward trend.

**Mexico**—Additional retrenchment and adjustment to present economic conditions became more pronounced during July; business movement outside cities declined below seasonal trends.

**Cuba** — Business activities continued to drift downward in July, but with a rally in sugar prices creating an improved outlook at the close of the month.

**Colombia** — Wholesale movement was active in June and consumer trade showed an upward trend in most centres.

**Ecuador** — Import control and stringent restrictions on importations has approximately balanced foreign trade of late; wholesale and retail trade was unsatisfactory during the month.

**Bolivia.**—A rise in tin prices in July gave some encouragement to business, although no marked consumption increase was noted.

## Background of Business

### *Credit for Farmers*

The Western Retailer is anxious to know what steps the Federal Government proposes to take to finance harvesting operations in the West this year. The paper says:

"In pre-depression days the retail trade cheerfully assumed that responsibility, but they can do so no longer. They have not been repaid for previous accommodation to the farmer. What security can the average farmer give for new credit to be extended this fall?

"Banks and financial institutions can be ruled out, and if banks in their preferred position are unwilling to accept the risks—and who can blame them?—the country merchant would be foolish to give credit unless payment for such advance was guaranteed."

It is claimed that the association representing western retailers has received numerous letters from merchants asking what security is available to them if they supply harvest requisites on credit and stating that they have already received numerous applications for such credit. The association hopes the Government may find some means of enabling supplies, within strictly defined limits, to be given to farmers under a guarantee of payment which would protect the merchants.

Essential harvesting supplies include various small tools, such as forks, binder twine, oil, gasoline, wood and metal grain bins, bags, etc. Larger equipment, such as farm machinery, and also gasoline and fuel oil, probably will be financed by companies supplying them.

* * *

### *Fruit Production*

Fruit prospects are reported as generally good throughout the Dominion, in a preliminary report of the Dominion Bureau of Statistics.

Apple production in British Columbia is estimated at slightly over five million boxes or about the same as last year. In eastern Canada similar good yields are expected, particularly in Nova Scotia, but not quite as good as a year ago in Ontario and Quebec. Much will depend on weather between now and the time of apple harvest a month from now, as fully 50% of the normal size is put on in the last three weeks of the season.

Other tree fruits, plums, pears, peaches, are reported promising good yields. The early lines, such as berries and cherries, have done exceptionally well in eastern Canada—but only fair, as the result of dry weather, in British Columbia.

* * *

### *Wheat Growing Costs*

What does it cost to produce a bushel of wheat in western Canada? There are almost as many answers as there are farms. Everything depends upon yields per acre. The Dominion Experimental Farm in Brandon, Manitoba, in 1937 kept a careful check on cost in 62 fields well distributed throughout that province. It found, with yields averaging around 20 bushels to the acre, the cost was approximately 64 cents a bushel. Variation, however, was from 48 cents per bushel for a yield of 40 bushels to the acre to $2.80 per bushel for a five-bushel crop. These costs included land rental or equivalent, taxes, machinery, labor, depreciation, seed, storage, etc.

* * *

### *Street Cars Go*

The street railway seems to be playing a losing role in the smaller cities of Canada. In the current issue of Bus & Truck Transport, no less than three cases are reported suggesting a switch from trolleys to buses.

Partial substitutions of buses for street railway service is recommended in Fort William. Operations of buses instead of street cars by the Guelph Street Railway has resulted in the first substantial reduction of the transportation deficit in years. In Nelson, B.C., the street car service, with present frequency, it is stated, cannot be made profitable. It is recommended that Diesel buses be installed.

Edmonton is taking its first step in the gradual abandonment of street cars, with a fleet of modern trackless trolley buses, suggested by the city council. A 15-year programme estimated to cost $1.5 million is recommended which will gradually replace all trolleys operating in Alberta's capital.

* * *

### *Bar Premiums*

Reports published in Canadian Grocer indicate that the new loss-leader legislation in Manitoba appears to be working without serious opposition. A few weeks ago there was some intention of certain merchants testing the legislation, particularly the clauses which forbid premium inducements in introducing new products.

Formerly merchants have been in the habit of including with some breakfast foods, soap flakes, or other things, a dish or spoon as a special attraction, the combination to be sold at slightly more than the regular price. Now, as a result of the legislation, this practice appears to be disappearing in Manitoba.

Department and chain stores are reported among the first to comply with the new regulations and are credited with scrupulously observing recommendations.

* * *

### *Price Fixing*

British Columbia's price maintenance law is being decisively challenged by Woodward's Ltd., department store in Vancouver. There has been some suggestion that the Dominion Government might interfere to protect consumer interest. But, according to Hardware and Metal, Ottawa authorities are more likely to simply keep themselves informed and are hoping that the problem will be adjusted without the necessity of interference.

In its opening broadside against the new price maintenance law, Hardware and Metal reports, Woodward's stated that the legislation forced it to raise prices of many commodities from 5 to 20%. This, the company believes, is in direct conflict with the provisions of the Combines Investigation Act.

"In this connection," comments Hardware and Metal, "it is recalled in Ottawa that strong pressure was brought to bear on the Price Spreads Commission of 1934-35 to endorse a programme which would modify the Combines Act, so as to approve of resale price maintenance policies. The Price Spreads Commission, however, right or wrong, held out against the pressure."

* * *

### *Used Cars Accumulate*

Although used car inventories are considerably higher in Canada this year than in 1937, Canadian Automotive Trade anticipates no great difficulty in clearing away this accumulation well in advance of the new car shows. It believes, however, that some price reductions may be necessary to accomplish this result in certain areas.

A Dominion-wide survey of the used car situation by C. A. T. shows that stocks are 21% larger in number, 24.5% higher in value, and contain a greater number of late model cars than at this time last year.

Conditions this year, this paper reports, are decidedly different from those of 1937. Last summer it was confidently expected that new car prices would be increased with the advent of new models, and this knowledge tended to stiffen used car prices prior to the shows. In due course, new car prices were advanced, with the result that dealers continued to trade on the basis prevailing in the summer months, trusting that used cars would continue to move out satisfactorily.

This hope, Canadian Automotive Trade finds, has not been realized, as is evidenced by larger stocks at higher values in many centres, the increase in values being due principally to the numbers of late models included in these inventories, which have remained unsold at the prices asked.

## Humberstone Co. Earnings Decline

### Sales During Year Ended July 31 Down — Labor Trouble Encountered

Sales and profits of Humberstone Shoe Co. for the year ended July 31, will show a decrease from those of the previous fiscal year, it is reported.

Labor trouble which commenced in the fall of 1937 prevented the company from fulfilling certain contracts and reduced sales volume. The prices of leather fluctuated considerably during the year and the company has absorbed some loss from this source during the course of the year's operations. At the end of the fiscal year, however, prices have moved up.

A settlement with employees was reached, granting workers union shop and overtime compensation which will increase production costs.

Net profit for the fiscal year ended July 31, 1937, amounted to $50,405, as compared with $57,608, equivalent to earnings of $2.52 and $2.88, respectively on the 20,000 common stock outstanding.

Dividends of $2 a share have been paid on the company's common during the fiscal years, 1933 to 1937, inclusive, and its earnings have been remarkably stable for a number of years. The dividend requirements have always been met by a comfortable margin.

## Distillers-Seagrams Has Issued More Stock

Toronto Stock Exchange has been advised by Distillers Corp.-Seagrams that outstanding common stock now totals 1,742,640 shares. An additional 165,000 common shares have been listed subject to issuance on exercise of warrants attached to the 165,000 shares of 5% preferred stock now outstanding. There are also 20,000 common shares listed subject to exercise of existing options to purchase held by employees. On June 12 the Toronto Stock Exchange listed 5,000 preferred shares which directors had authorized for sale to Brintcam Investments Ltd. at $100 a share in U. S. funds on May 27. This brought the listed preferred stock to 165,000 shares, all carrying warrants for purchase of common.

## Foreign Exchange

The pound sterling continued to move irregularly downward during the past week. There were occasional rallies but the decline was always resumed and new low levels were steadily established. The movement gave strength to the theory that the pound is being allowed to sink to its former gold pariety of $4.86 2/3.

Bankers had little fresh comment to offer.

Movements of the principal exchanges were as follows:

AT TORONTO AND MONTREAL

| U. S. Dollar | High | Low |
|---|---|---|
| Aug. 6 | 1.00⅜ | 1.00 3/32 |
| Aug. 5 | 1.00 7/16 | 1.00⅜ |
| Aug. 4 | 1.00 7/16 | 1.00 3/32 |
| Aug. 3 | 1.00 11/32 | 1.00 1/16 |
| Aug. 2 | 1.00⅜ | 1.00 1/16 |
| July 30 | 1.00 1/16 | 1.00 1/32 |
| **U. K. Pound** | **Closing** | **Last Year** |
| Aug. 6 | 4.91¼ | 4.98¾ |
| Aug. 5 | 4.91½ | 4.99⅜ |
| Aug. 4 | 4.92 | 4.99¼ |
| Aug. 3 | 4.91½ | 4.98½ |
| Aug. 2 | 4.92 | ..... |
| July 30 | 4.93 | 4.98⅛ |

Other Currencies, Aug. 6

| | | | |
|---|---|---|---|
| Australia | 3.93⅜ | Italy | .0528 |
| Belgium | .1697¾ | Japan | .2863¾ |
| Czecho. | .0346½ | Jugoslavia | .0233¾ |
| Denmark | .2192½ | N. Zealand | 3.96⅜ |
| France | .0275½ | Norway | .2468½ |
| Germany | .4027¼ | S. Africa | 4.90¼ |
| Greece | .0090¼ | Sweden | .2535⅝ |
| Holland | .5482¾ | Switzerland | .2295⅞ |
| Hungary | .1986¾ | Hong Kong | .3060¼ |
| India | .3677½ | | |

Individual Investment Requirements

No two persons have quite the same circumstances or obligations to consider in managing their investment affairs. It is the aim of this organization to make such investment suggestions as will best suit the specific requirements of individual clients.

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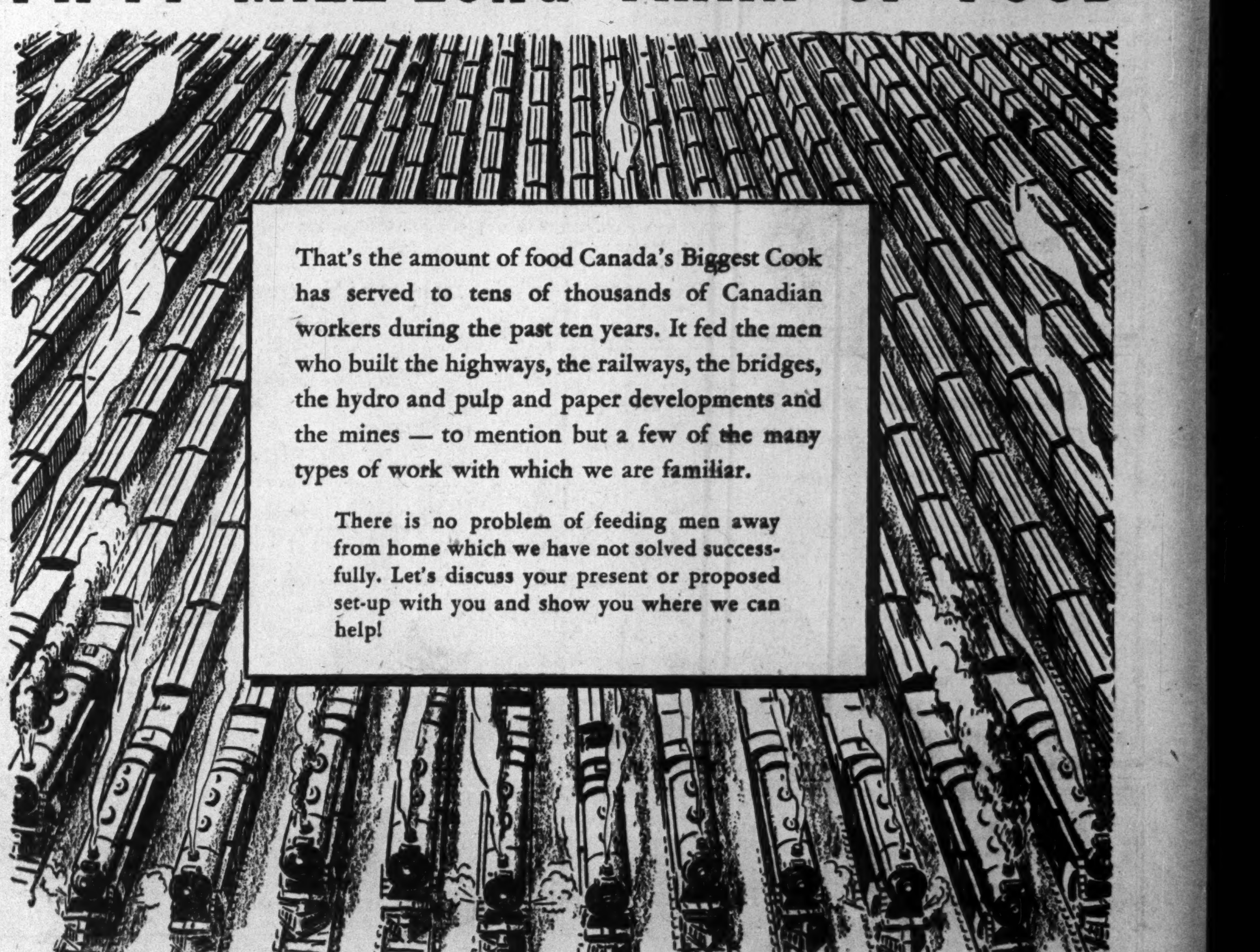

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## Drop Canada Northern From Utilities Average

From Our Own Correspondent

MONTREAL.—The Montreal Stock Exchange has dropped Canada Northern Power Co. common stock from its average of 10 utility stocks. It has been replaced by Gatineau Power Co. common stock. It is believed the recent limited volume of trading in Canada Northern is responsible for the change.

The following 10 stocks are now used in compiling the average: Bell Telephone, Brazilian Traction, British Columbia A, Gatineau Power, Montreal Power, Power Corp., Quebec Power, Shawinigan Power and Southern Canada Power.

## Pemberton Issues Review Of B. C. Municipalities

Pemberton & Son, of Vancouver, B.C., has issued its sixth annual edition of Pemberton's Red Book of Financial Statistics of B. C., edited by A. G. Osburn.

The volume outlines the financial standing of the provinces municipalities and districts, giving the outstanding obligations of the corporation, assessments and tax collections.

**Bell Telephone** — Undertone of market for this stock appears a little weak of late. One fairly substantial order went through without putting up stock. Company still reporting a net gain in telephone installations.

*Pulp and Paper Industry*

# Newsprint Cut Its Cloth

### Stocks May Be Normal by Year End

### Half Year Earnings Reflect Glut

MONTREAL. — Unsatisfactory earnings of Canadian newsprint mills during the first half of the current year are almost entirely due to overproduction last year.

Consumption of newsprint dropped during the first six months, but the decline in production was much greater. Had newsprint stocks been normal at the first of the year the higher price would have offset the lower production due to lessened demand.

Complete figures for newsprint consumption for the first six months are not yet available but consumption in the United States declined by 240,000 tons as compared with a year ago. At the same time shipments from this continent overseas declined by about 35,000 tons. Thus, if stocks had been normal there would have been a drop of 275,000 tons, or at the most 300,000 tons, in demand.

**Production Down**

The actual decline in North American production in the first six months was almost 651,000 tons. In Canada alone, the reduction in output was 527,889 tons to 1,259,871 tons.

On a percentage basis consumption was 12.3% below the same period last year and 4.7% below the 1936 period. Production, on the other hand, was down 26.8% from 1937 and 15.6% from 1936. Advertising linage declined 14.9%.

Unless consumption in United States increases, any substantial increase in production in the second half of the year over the first six months cannot be expected, especially if stocks are to be reduced.

**Second Half of Year**

U. S. consumption in the second half of 1937 amounted to 1,858,900 tons. Assuming consumption declines at the same rate as in the first six months, namely 12%, the amount consumed in U. S. would be 1,635,800 tons. Taking Canadian consumption at 100,000 tons and overseas shipments at 350,000 tons, total demand on stocks and production of North American newsprint would be 2,085,000 tons. If allowance is made for U. S. imports from Europe, possible demand is reduced to 1,965,000 tons.

In the first half of the current year North American production amounted to 1,785,000 tons. If production were kept at this level in the second half of the year North American stock of newsprint would be reduced by 180,000 tons. Stocks would then be at a normal level.

There are, however, several factors to be considered. Advertising linage in the second half of the year may not decline as much as in the first six months. Linage should respond to any improvement in business. Then, again, the decline in linage was already evident during the latter part of 1937 so that the proportionate decline may be smaller than in earlier months.

# Probe Japans Pulp Market

### Mission to Investigate Possibilities of Regaining Trade

From Our Own Correspondent

VANCOUVER.—The Far Eastern market for pulp and paper, usually one of the most important foreign outlets for the production of British Columbia mills, has been at a standstill so long that operators are becoming restless.

When the Sino-Japanese hostilities threatened to disrupt sales for a few months, the pulp and newsprint companies accepted the situation philosophically and bided their time. They were busy in other fields, and had no particular cause for worry.

But the Oriental market collapse has continued now for more than a year. The industry long ago went into low gear, with the newsprint mills shutting down completely for a few fortnightly periods and at best operating on a five-day week—something almost without a precedent on the Pacific coast in a decade. The mills of B. C. Pulp & Paper Company, recently converted to the manufacture of bleached sulphite and rayon pulp, were closed down completely as a result of Japan's inability to pay for purchases.

**Investigate Situation**

B. C. newsprint mills have been waiting for China and Japan to end their quarrel. But so serious has been the loss of business that steps are being taken to ascertain whether there is not some prospect of getting back at least a part of the vanished trade.

Representatives of the newsprint industry are now on their way across the Pacific to look into the situation in China and Japan. Whether a way will be found to recover the lost ground remains to be seen; but the investigators at least hope to find out what the possibilities are. If the market collapse threatens to continue indefinitely, the producers on the west coast will be in a position to take different measures.

Perhaps they may go out aggressively after business in other countries, abandoning for the time being a market which in normal times absorbed about one quarter of the B. C. newsprint production and an even greater proportion of the pulp.

# Westminster Paper 6 Months' Net Up

### Offering of Common Does Not Involve New Financing

Westminster Paper Co. earned 48 cents a share on its common stock during the six months ended Jan. 31, 1938. In the year ended July 31, 1937, the company earned 62 cents a share. Dividends paid or declared from the latest six months earnings were 50 cents a share against 40 cents a share in the preceding 12 months.

As at Jan. 31, 1938, outstanding funded debt amounted to $204,500, of which $74,500, plus $5,472 in cash, was held by a trustee for sinking fund.

Pemberton & Son, Vancouver and Western City Co. are currently offering 17,701 common shares at $10 a share. This stock does not represent new financing and does not alter the formerly outstanding $477,890 of $10 par value common.

Westminster Paper Co. makes a wide variety of papers, except newsprint, in its plant at New Westminster, B.C. Details of comparative profit and loss account follow:

**Profit and Loss Account**

| | 6 Mos. ended Jan. 31, 1938 $ | 12 Mos. ended July 31, 1937 $ |
|---|---|---|
| Net sales | 482,347 | 822,830 |
| Less: Cost of sales | 365,689 | 628,062 |
| Gross earns. | 116,658 | 194,768 |
| Add: Misc. income | ...... | 1,800 |
| Total gross earns. | 116,658 | 196,568 |
| Less: Sell. & admin. exps. | 52,529 | 95,050 |
| Net earnings | 64,129 | 101,518 |
| Less: Depreciation | 24,717 | 45,810 |
| Debenture interest | 4,282 | 11,047 |
| Prov. for inc. taxes | 12,000 | 14,796 |
| Net profit | 23,130 | 29,865 |
| Earnings per Share: | | |
| Earned | $0.48 | $0.62 |
| Paid | *0.50 | 0.40 |

*Including 25 cents payable Apr. 1, 1938.

## New Building

**Scarboro Public Utilities Commission** is planning construction of $50,000 underground water storage tank at Birch Cliff, adjacent to Toronto.

**Drug Trading Co.**, Toronto, has awarded contract for construction of new warehouse at Ontario and King Streets.

**International Railway Co.**, Niagara Falls, N.Y., has deposited with Canadian and U. S. federal authorities, for approval, plans for replacement of the Falls View bridge which collapsed in an ice jam last winter. Estimated cost of new span is $1.5 million. Meanwhile, Ontario authorities have declared their determination to proceed with $4.5 millions bridge in Niagara Falls area, despite lack of Parliamentary approval of project.

**Aldermac Copper Corp.** is having plans prepared for construction of mill for production of sulphur from pyrites. Estimated cost of plant, likely to be erected near company's mine in Northern Quebec, is $600,000.

**Dominion Dept. of Public Works** has awarded contract at $602,400 for erection of new central post office building in downtown Ottawa, granite and limestone construction being decided on in preference to more expensive all-granite finish.

**City of Verdun, Que.**, plans soon to initiate project for erection of $225,000 steel and concrete stadium, with seating capacity of 3,000.

**Dominion Dept. of Public Works** has awarded contract at $249,798 for improvement and enlargement of Confederation Park and Connaught Place in central Ottawa. This is part of the Ottawa beautification plan, and will provide suitable surroundings for the National War Memorial now being erected.

Reported by Engineering and Contract Record:

**John Labatt Ltd.** is considering construction of an extension to its plant at London, Ont.

**Winnipeg Cold Storage Co.** has awarded contract to Carter-Halls-Aldinger Co. for alterations and addition to its plant.

**New Brunswick Telephone Co.** is building $50,000 plant and exchange building at Moncton.

**Canadian Broadcasting Corp.** has awarded contract for $250,000 broadcasting station at Coles Island, near Sackville, N.B.

**Canadian National Railways** is prepared to undertake construction of a $200,000 overhead traffic bridge at Prince Albert, Sask.

# Big Increase Shown By Business Building

Upturn of new building volume in July to within 1.3% of the level in July, 1937, sprang from striking expansion of business construction and, to a lesser extent, from increase in residential building.

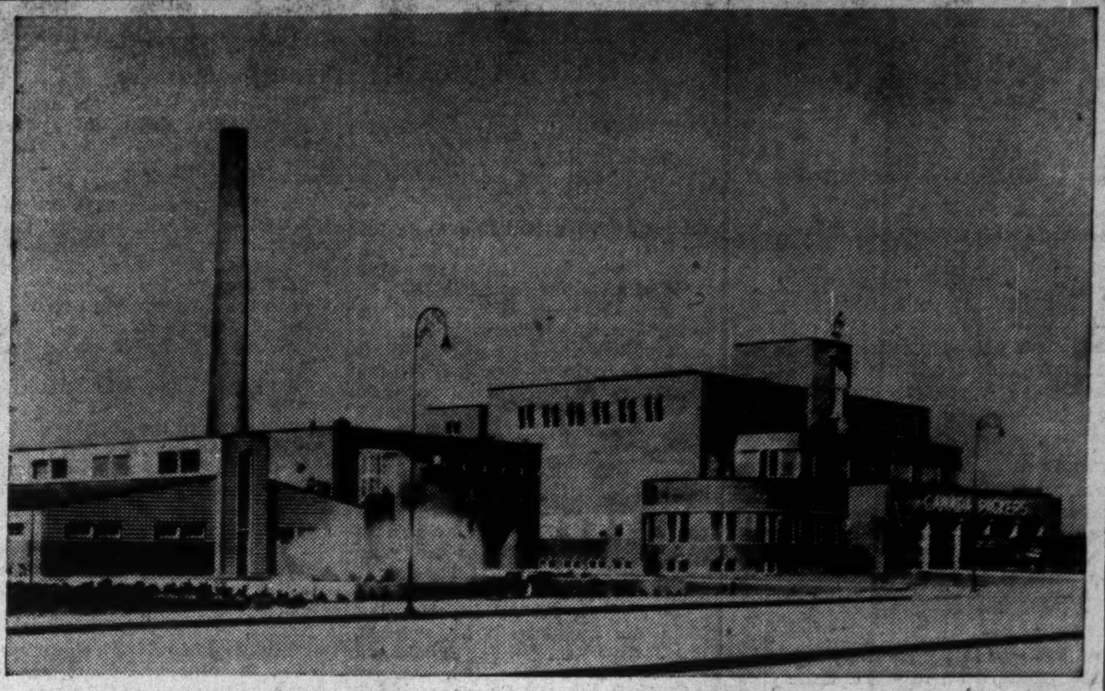
Returns on construction contracts awarded last month, issued by MacLean Building Reports, show:

1. Total of residential work started was 9% ahead of July last year, the increase coming entirely from extended apartment building in Ontario, Quebec and Manitoba.
2. An increase of 33% in the business class of building, attributable mainly to considerable activity in church and school construction in Ontario and Quebec, and in hospital building in those two provinces and Nova Scotia.
3. Industrial construction (factories, etc.) declined about 50% under July of last year, shrinkage in awards in British Columbia and Quebec being mostly responsible.
4. Engineering construction dropped 13%, declines in highway, bridge and wharf work contributing most of the decrease.

A slight increase in the July total for all classes over the figure for the preceding month, is traceable entirely to the spurt in business construction. In the comparison with June of this year, marked declines in residential, industrial and engineering construction are more than offset by a one-third increase in business building.

**Construction Contracts Awarded in Canada**

| | — July, 1938 — | | — July, 1937 — | | — June, 1938 — | |
|---|---|---|---|---|---|---|
| | No. | Amt. in $ | No. | Amt. in $ | No. | Amt. in $ |
| Apartments | 23 | 891,100 | 25 | 384,500 | 31 | 1,180,900 |
| Residences | 1,846 | 4,904,800 | 1,784 | 4,960,900 | 1,959 | 5,044,100 |
| Total residential | 1,869 | 5,795,900 | 1,809 | 5,345,400 | 1,990 | 6,225,000 |
| Churches | 63 | 893,600 | 39 | 411,400 | 42 | 337,500 |
| Public garages | 77 | 192,500 | 69 | 682,900 | 63 | 378,100 |
| Hospitals | 21 | 1,266,800 | 9 | 431,100 | 10 | 544,000 |
| Hotels, clubs | 34 | 173,600 | 38 | 295,800 | 52 | 726,000 |
| Office buildings | 35 | 315,200 | 50 | 363,500 | 38 | 739,200 |
| Public buildings | 56 | 998,200 | 59 | 397,300 | 49 | 396,000 |
| Schools | 89 | 2,402,700 | 96 | 1,051,800 | 85 | 1,385,400 |
| Stores | 108 | 748,000 | 146 | 504,600 | 155 | 560,800 |
| Theatres | 17 | 258,400 | 20 | 388,400 | 12 | 272,100 |
| Warehouses | 45 | 351,300 | 65 | 1,164,400 | 46 | 363,100 |
| Total business | 545 | 7,600,300 | 591 | 5,691,200 | 552 | 5,702,200 |
| Total industrial | 73 | 1,987,700 | 93 | 3,842,700 | 71 | 3,266,700 |
| Bridges | 25 | 396,400 | 36 | 350,500 | 26 | 777,700 |
| Dams, wharves | 9 | 403,100 | 23 | 908,700 | 3 | 227,700 |
| Sewers, watermains | 11 | 48,600 | 14 | 141,000 | 15 | 168,400 |
| Roads, streets | 51 | 1,634,800 | 62 | 3,466,200 | 39 | 2,842,400 |
| General engineering | 58 | 3,291,400 | 44 | 1,739,600 | 44 | 1,718,000 |
| Total engineering | 154 | 5,774,300 | 179 | 6,606,000 | 127 | 5,734,200 |
| GRAND TOTAL | 2,641 | 21,158,200 | 2,672 | 21,485,300 | 2,740 | 20,928,100 |



*NEW INDUSTRIAL PLANT*

Application of modern functional design to industrial plants is well illustrated in the new Vancouver plant of Canada Packers Ltd. Formally opened last week, the plant is attractive in appearance and has coherent unity of design, yet has not been "prettied up" to conceal its function.

## Construction World

*Castles in the Air*

Canadian municipalities continue to draft fancy programmes of civic improvements in the blithe hope of getting them financed under the Dominion Government loan plan for self-liquidating works. In most cases, the programmes appear to have been drafted in complete ignorance or lack of understanding of the stipulations of the plan. There is suggested an airy confidence that the Government will stretch a point to assist projects that do not qualify in the slightest for loans under the Municipal Improvements Assistance Act.

Such optimism is especially prevalent in the West. Portage la Prairie, for instance, is applying for a loan to replace watermains, sewers and sidewalks. Calgary wants to borrow $250,000 under the plan, mostly for a civic utilities building, a swimming pool, an airport hangar, and improving an arena and exhibition building. In Ontario, Fort William hopes to get 2% funds from the self-liquidating plan for reconstruction of a reservoir.

It is difficult to see how any of these proposals can comply with the Act's provision that projects assisted with loans must produce either increases in net revenue or reductions in operating charges of the municipality. An exception might be Portage la Prairie's watermain item. One wonders how Calgary's swimming pool and airport hangar items can comply with the further provision that projects aided must be "urgently needed."

An additional obstacle in regard to requests for loans from Calgary or other Alberta centres would seem to be the financial policies of the present Alberta Government.

*Construction*

# Symmetry in an Abattoir

### Functional Design Employed For Western Packing Plant

Marked advance in design and methods of industrial construction in recent years is exemplified in the new Vancouver plant of Canada Packers Ltd., formally opened last month.

The $750,000 building reflects ability of modern functional design, to combine three features. These are clean-cut simplicity, exterior attractiveness, and honest expression of the nature of the buildings to which such plans are applied.

The new plant is a structural coordination of the functions and design of the various sections of the establishment. The architectural answers to the needs for housing various phases of plant operation have been fused into a coherent unity.

Result is both pleasing to the eye and a distinctive satisfaction of the demands of modern industrial efficiency. The blending has been carried out in four chief respects—architectural, structural, decorative and plant operation. Yet there is no perceptible attempt to gloss over the basic purpose of the structure—to be a modern, well-operated packing plant.

Both the general layout and decorative effect of the building are natural expressions of the internal function of the plant, rather than overlays designed for concealment.

**No Striving for Style**

In this regard, an interesting comment is made by E. R. Arthur, Toronto architect who designed both the Vancouver plant of Canada Packers and the larger Edmonton plant completed in 1936.

"In designing the Vancouver plant, we had no thought of style. It is a plant full of modern equipment, modern methods, and modern men and women, and outside and inside it is intended to look modern. We were designing a packing house and a packing house we hoped it would look."

Even the symmetry of the main building was dictated by the requirements of plant operation and their natural division into two main groupings, rather than by any striving for effect. Early in planning of the building it was discovered that the refrigerated sections for storage and maturing of products were exactly equivalent to the manufacturing areas.

The building as a whole was therefore divided by a wall running from top to bottom, separating packing house processes from cooling and treatment rooms. This division was used as a nucleus for balanced grouping of auxiliary sections and of the plant as a whole.

**Unusual Façade**

The central portion of the front of the building has been made a strategic location for the truck-loading dock and garage. The loading platforms and garage facilities are enclosed behind five large, automatically operated overhead doors. These have been made a part of the decorative effect of the building facade. The horizontal leaves of the doors have been painted alternately in grey and dark blue-green.

Above the loading dock is another plant unit, the special requirements of which have also been skilfully met in a manner contributing to the architectural effect. This is the sausage manufacturing room, the three exposed sides of which are entirely enclosed in glass brick walls. Selection of this material provides:

1. Excellent insulation against extremes of weather, assuring needed control of atmosphere for manufacturing.
2. Maximum of light, for both comfort of employees and sanitation.
3. Cleanliness of manufacturing premises.
4. Decorative effect.

**Flanking Wings**

The truck dock is flanked on both sides by wings reserved for activities not directly involved in plant operation. Both have rounded ends in the modern manner, and generous window space to assure plenty of light. To the right of the loading dock is the office wing, with a lobby featuring brightly painted walls and terrazzo floor in black and white. To the left is a wing of almost equal size given over to employees' dressing rooms, dining rooms, superintendent's office, hospital, and rooms for government inspectors.

In designing the building, special effort was made to ensure that all rooms where employees work or eat, and wherever food is prepared, would have ample light-admitting glass areas, sanitary walls and other features of benefit to employees. On this point, Architect Arthur says: "In factory design of 20 years or more ago, such expense would have been considered an extravagance. Today, in the best modern building it is common practice. It adds to the health and comfort of employees. It adds to their efficiency and their pride in the plant and company for which they work; and is good advertising."

**Concrete Construction**

Swampy condition of the site made it necessary to sink piles 60 feet deep to assure sound foundations. Building as a whole is of reinforced concrete construction, finished in brick. Floors also are of concrete, made especially hard to withstand trucking and repeated washing and covered where necessary by hard vitreous brick.

**Landscaped Grounds**

The grounds around the plant are landscaped with lawns and flowering shrubs, and a fountain and spray pond serves both as a decorative feature and a substitute for a cooling tower.

Special ventilating equipment has been installed in the plant and air-conditioning units serve such sections as the smoke houses, where atmosphere must be controlled at all times. To eliminate the odors so often disturbing to passers-by around packing plants, the ventilating system treats air from operating rooms before discharging it into the outside air. Water flowing into the city sewage system is also treated to remove fats and solids, and then chlorinated.

**B. C. Power** — General Electric Company included in its investments 15,201 class A preferred shares of B. C. Power at the end of 1937. The shares were carried at a cost of $406,019 and shown to have a market value at the end of 1937 of $486,432.

**Calgary, Alta.**—Calgary ratepayers have voted in favor of the city procuring a loan of $240,000 from the Federal Government under provision of the Municipal Improvements Act.

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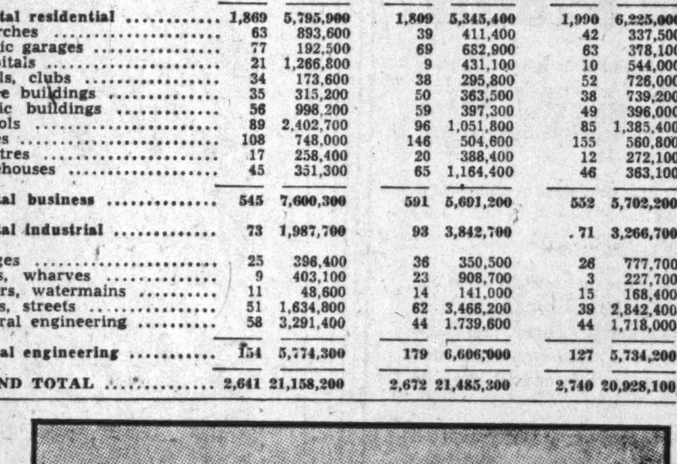

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# The West Pays Dividends

## Elevator Companies Will Show Big Gain In Their Revenues

When the Dominion Government last week fixed an 80-cent minimum price for the wheat grower it revived hopes of elevator companies for a return to profitable grain handling.

The minimum is sufficiently above the market to switch virtually every bushel of wheat to the Government wheat board and relieve elevator companies of the responsibility, trouble and risk of buying the crop. At the same time the minimum might conceivably prove far enough above the market to induce the Government to store grain rather than sell at a loss. This would mean a revenue to the country and terminal elevators of one cent per bushel per month.

Little ground for such hope can be seen in the recent statement of policy by the Prime Minister. Announcing the 80-cent minimum Mr. Mackenzie King said:

> "The policy of the Canadian wheat board will not be to hoard wheat nor to speculate upon it nor to seek to establish a monopoly. Canadian wheat will be moved promptly to the market."

Canadian elevator companies have been struggling through six bad years. In 1932 the West harvested a big crop, but at the lowest price on record. This was followed by a series of small harvests, climaxed by the western crop failures of last year. Financial reports for the year ended July, 1938, may not be available for about two months, but it is common knowledge that heavy losses will be general and much more serious than the declines registered in 1936-37.

### Turn of the Tide

Now comes the turn of the tide. The West is looking forward to a general crop at a reasonable price. Elevators that have not opened a single bin for storage during the drought years are getting ready for business. Some $3 millions has been spent in putting them in shape.

Already 1938 wheat is beginning to flow. It is being weighed, graded, sorted and stored ready for shipment to the lakehead or Vancouver. Handling charges for the first services mentioned average about five cents a bushel, freight about 12½ cents a bushel. Storage charges, the principal source of elevator income, are one thirtieth of a cent per bushel per day from the lakehead west, one fiftieth of a cent a day from that point east.

### Overgrading Practised

Theoretically elevator profits like those of the railway carrying the wheat vary directly with the size of the crop. In practice, however, competition has changed the picture. Mainly as the result of the western pool movement the West is overstocked with elevators. To assure the necessary volume of turnover many elevators have resorted to overgrading. No. 2 Northern, for example, has been bought as No. 1 in the hope that a cent or two a bushel might be cleared on the transaction and the farmers business held for the future. This practice of overgrading has been responsible for a large proportion of the losses suffered by the companies.

This is one reason why the companies are relieved to hear that the Government is going to take the job of wheat buying off their hands. The elevator owners will become agents, handling the grain for the Government at so much per bushel.

One feature which applies to all Canadian elevator companies, is the appearance of bank loans on their balance sheets. These loans are fully secured by grain which the company holds and are regarded as a normal feature of their operations. Adequate working capital is extremely desirable for these, as any other company, and in this regard most of them have suffered losses in recent years.

Another point which should be kept in mind is that few of these stocks are actively traded, many of them not being listed at all, nor are their bond issues much more active. Of the ten companies reviewed here, only four have stocks listed on Montreal or Toronto exchanges. Of these, Alberta Pacific and Bawlf Grain and Toronto Elevators are most active.

### Goderich Elevator

Goderich Elevator & Transit Co. operates a storage elevator at Goderich, Ont., with a total capacity of three million bushels. The company is well located to handle the distributing trade to many Ontario points.

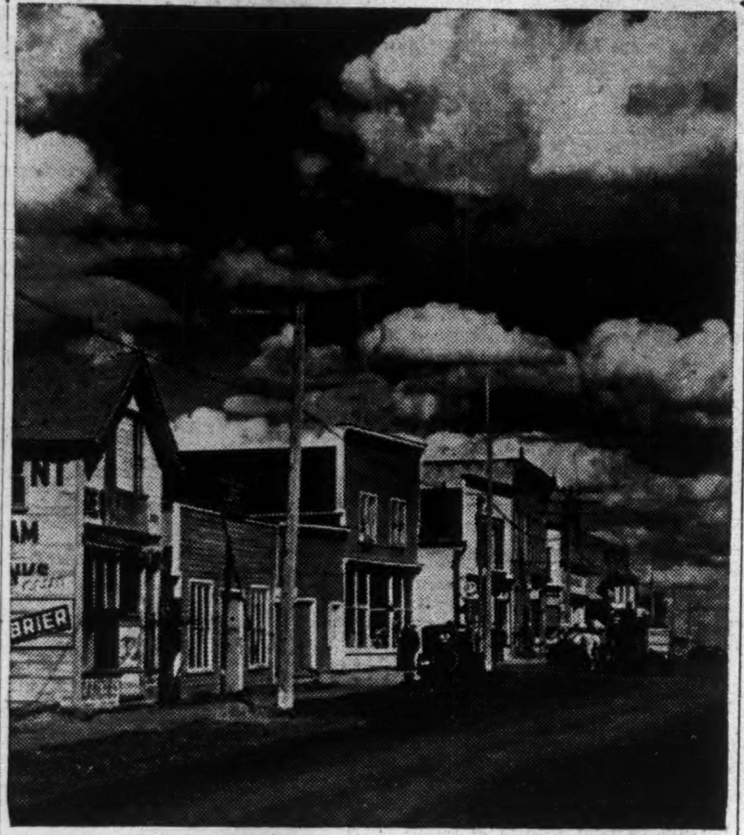
To June 20, 1938, receipts of grain at the company's elevator amounted to 3.8 million bushels, higher than any similar period in the past 10 years. Part of this was due to temporary conditions which meant that much United States grain moving to export was handled through eastern Canadian seaports for shipments abroad.

In the year ended March 31, 1938, volume of grain handled was about 2 million bushels less than in 1936. Earnings per share on the company's 84,006 no par value common shares, its only capital obligation, were 13 cents in the latest period against 31 cents a share in 1937. Dividends of 50 cents a share have been paid for the past five years. The company's stock is not listed.

### Collingwood Terminals

Collingwood Terminals, Ltd. operates a two-million bushel elevator at Collingwood, Ont. The company has a contract with the Stratton Grain Co., of Chicago. Original construction was financed by the town of

(Continued on page 13)



Clouds are lifting from the prairie Main street.

# Wheat Price Problems

## Fixing Spreads on Grades Provides Headache for Board

From Our Own Correspondent

WINNIPEG. — The Wheat Board basic price of 80 cents a bushel applies to No. 1 Northern wheat in store at Port Arthur or Vancouver. From it there have to be deducted freight and other elevator costs to get the grain to those ports, as well as discounts for lower grades.

Putting Vancouver on an equality with the ports at the head of the lakes may mean an extra concession to the farmers of western Alberta, at points where the freight rate to Vancouver is less than the eastbound rate. Vancouver prices, particularly on some grades of wheat, are frequently less than those at the head of the lakes.

Fixing spreads on other grades of wheat provides a headache for the Board. The ideal spreads would be those which, on the average, will actually prevail during the current season in selling board wheat. As these are uncertain the Board, it is understood, will probably take the average spreads during the past 10 years. These may turn out to be widely astray, and create some possibility of injustice, by causing the Board to lose more money on some grades than on others, or finding itself in a position where there has been a profit on some grades, but no money to pay out to producers because of losses on other grades.

Durum wheat offers a special problem. Farmers who grow that type of wheat are inclined to argue that they are as much entitled to a minimum basic price for the top grade as farmers who grow the hard bread wheats. But durum seems likely, from present prices, to sell at a discount of ten cents a bushel or more this year. The Board is likely to take that stand that it has no authority deliberately to incur for the Government a greater loss on durums than on other wheats, or in case there should be a profit on other wheats, to reward with it the producers of durums, instead of other wheats.

# Baltic Threat to B. C.

## U. S. Treaty Demands Might Shut Coast From U. K. Lumber Market

From Our Own Correspondent

VANCOUVER.—Lumber interests of the Pacific northwest states, chief competitors of British Columbia in export markets for many years, are pressing for full parity with Canada in British tariff revision under the pending Anglo-United States trade agreement. Despite efforts to effect some sort of compromise, the American lumbermen will yield nothing, according to information in the best informed circles here.

By their unyielding attitude, the Americans may not only spoil the British market for British Columbia, but prevent their entry into that field, too.

Reason for the B. C. lumbermen's fears is that the Empire preference which granted a 10% advantage to Canada in the British market was directed against competition of the Baltic countries and not the United States. Most of the tremendous volume of business done in recent years in the United Kingdom by British Columbia lumber exporters was "new" so far as North American countries were concerned.

Before the preference went into effect neither Canada nor the United States enjoyed a volume of lumber trade in the British Isles comparable with the figures of recent years. However, the Americans read only the totals and note that B. C. has run away with 90% of the Pacific northwest shipments. They feel that under tariff parity they would get a fairer share of this business.

### Help Baltic States

The fact is, however, that if parity were granted, the British market would again be thrown open to Baltic countries under the favored nation clause of the British tariff. Because of their low cost of production and the fact that they ship only two or three thousand miles to Britain in small, cheaply operated vessels, the Baltic countries could soon dominate the British market, just as they did for generations prior to the Empire agreements. Both Canada and the United States would lose.

In their arguments for parity, the American lumbermen insist that costs of production are less in British Columbia because of lower labor bills. B. C. lumbermen dispute this, pointing out that the Americans quote the 40-cent minimum in the B. C. industry in comparison with the 75-cent average in the American mills. The B. C. contention is that the average sawmill and logging wages on the Canadian side are comparable with those in the United States. Another point which the Americans overlook in telling about the inroads of B. C. lumber in the export market is that American sawmill activity has been severely interrupted in recent years by industrial strife.

### No Compensating Concessions

The situation might not be so serious for B. C. if the Americans were able to promise compensating concessions in the United States market. Unfortunately, such concessions would have to be granted solely through Congressional action — a slow process at best and not likely to eventuate.

The only hopeful element in the future prospects of the lumber industry here is the Prairie market, but even at its best that could hardly take the place of the United Kingdom, which has been buying at the rate of more than half a billion feet of lumber in British Columbia for several years.

# Coast is Counting On Grain Shipment

From Our Own Correspondent

VANCOUVER — British Columbia grain shippers believe that the 80 cent minimum price for wheat will react to the advantage of the Pacific coast outlet.

Inasmuch as most of the advance orders for overseas delivery of wheat have been placed in the East, if the crop was sold on the open market most of the wheat would move via the East, the shippers claim.

British Columbia ports can usually count on at least 50 per cent of the Alberta crop. The new price set-up is expected to raise this percentage to 55. If the Alberta crop is around 100,000,000 bushels, the wheat traffic through Vancouver may run two or three million bushels more than otherwise would be contemplated.

## With 80-cent Wheat and Fair Crop Business Now Knows Where It Stands

The two biggest "ifs" in Canadian business disappeared last week when the Dominion Government guaranteed western farmers 80 cents a bushel for their wheat.

For the last six months nearly every executive has been saying: "If we get a wheat crop this year and if farmers get a good price for it, then . . . . ."

Now Canadian business knows where it stands, for this season at least.

While accurate estimate must await more general harvesting, a crop of 300 million bushels is now assured. There have been estimates 40 million bushels lower and some again 50 million higher.

Announcement of the 80-cent minimum seems to have been well received by the farmers though there was a concerted drive, particularly in Alberta, to secure the old rate of 87½ cents. Payment of the former rate would have risked an additional $20 millions of Dominion money with the possible national loss on the present guarantee estimated in some quarters at $20 millions.

### Substantial Price

Regardless of the broader effect of the Government's venture back into the wheat business, 80 cents means a substantial price to the farmers.

A 300 million bushel crop at 80 cents for No. 1 Northern at Fort William, means about $210 millions gross after allowance is made for a moderate proportion of lower grade grain. To haul to the head of the lakes or Vancouver, the railways will charge an average of 12½ cents per bushel or a total of some $37.5 millions.

Minimum handling charges—grading, sorting, storing, loading from country elevators and unloading at terminals—will cost about 5 cents a bushel or $15 millions.

Thus gross return to the farmers can be estimated at $157.5 millions. Further division is difficult to estimate.

In former drought areas where wholesale debt readjustment arrangements have been made, roughly one third of the crop revenue will be turned over to lending companies. But all western farmers are not in debt.

Probably the best way to estimate possible spending power this fall is to work from the price per bushel forward.

### Crop Costs Down

Crop costs, of course, vary as widely as soil and climate, but it is generally agreed that a good average crop, under average conditions, can be grown for about 50 to 55 cents per bushel. This would cover all overhead, seed, cultivation, machinery, taxes, mortgage interest or land rental.

Everything, of course, depends on yield per acre as it costs almost as much to produce and harvest three bushels to the acre as 30. The 50-55 cent cost is based on a yield of 20 to 30 bushels.

Allowing for a proportion of lower grades, freight and ordinary handling charges, 80 cents for No. 1 Northern at Fort William means 60 to 65 cents on the farm.

### $30 to $45 Millions "Surplus"

On a 300 million bushel crop this means that western farmers should have over and above their costs of production some $30 to $45 millions to spend. And most observers are still inclined to believe that more than 300 million bushels will be harvested.

In districts where yields per acre are now there will be no such surplus spending power. But in 30 to 50 bushel areas there will be a big inflow of extra cash. Here costs of production may range down to 35 cents.

From such areas will come demand for "luxuries" undreamed of in the long, lean period of drought.

### Implements First to Feel Surge

The farm implement industry will undoubtedly be the first to feel the effect of this new purchasing power. In many areas the present crop cannot be harvested without new machinery.

As it is threshed it will have to be protected in farm granaries and later hauled to the elevators in trucks. All this means heavier sale of lumber and farm equipment, hardware, twine, gasoline and oil, trucks, tractors.

The railway revenues will rise as more grain is moved out and more supplies moved in. Over 150,000 of the largest box cars will be needed to move wheat alone.

As the grain is sold and previous debt obligations taken care of, secondary demand will commence, a demand bolstered by eight years of deferred buying. The products needed will come from practically every Canadian factory.

### Crop Prospects

With harvest in full swing over Manitoba and a good deal of Saskatchewan and shortly to commence in Alberta, widely varying estimates of total wheat production prevail. The extent of damage from rust, grasshoppers and premature ripening is still difficult to calculate.

Most observers still believe that more than 300,000,000 bushels will be harvested; a few put their guesses higher than 325,000,000 bushels, and an occasional one goes higher still.

Broadly speaking, the greater part of Manitoba will harvest an average crop or one just slightly under average. Not many districts will be extremely poor, and not many will be extremely good. Manitoba has been saved from extensive rust damage by the preponderance of rust resistant Thatcher wheat seeded this year.

Alberta is at the other extreme with prospects for a good crop over most of the province except in the Peace River country and prospects of some really heavy yields.

### Rust and Grasshoppers

Conditions are most spotted in Saskatchewan. The once brilliant prospect of the south country has been impaired by rust, by grasshopper destruction, and by lack of moisture. In other parts of the province heavy yields are no longer expected although a large part of the province will give a fair average yield.

Contrary to usual experience, Saskatchewan has suffered much more from rust than Manitoba. The rust area has extended farther west and north than usual, and there was a much smaller proportionate seeding of Thatcher wheat than in Manitoba.

It is quite evident that next year Marquis wheat will disappear almost completely from Manitoba and eastern Saskatchewan. Farmers will feel that they cannot afford again to take chances on rust damage and Thatcher has stood up magnificently this year. The new rust resistant wheat, Renown, developed by the Dominion Department of Agriculture shows great promise.

The West is assured of at least 300 million bushels of wheat this year.

# Behind Alberta's Unity Drive

## Confusion Among Opposition Groups Provides Greatest Support to Slipping Social Crediters

From Our Own Correspondent

EDMONTON. — Establishment of the Unity Council of Alberta on a permanent basis, dedicated to the end of organizing a strong opposition to Social Credit in the next election, permits a preliminary forecast of how alignments are shaping up for the time when the Aberhart Government must face an election.

The problem of opposition to Social Credit, judging from the Alberta political picture as it stands today, is still confused, despite the fact that the prestige of Mr. Aberhart and the dominance of the Social Credit party is declining more rapidly than at any stage since 1935.

At the same time, no definite forecast can be made of when an election will come. The Social Crediters will stay until the last pay cheque of their term, it is safe to say, unless upsetting developments occur within or without the party. And such developments are always possible in Alberta. The end of term does not arrive until late in 1940.

The question of opposition to Social Credit centres upon several factors, any one of which will be important on the day when Premier Aberhart risks an election. To what extent can electors be drawn into a united front against Aberhart? Should party lines be dropped in favor of one unity organization? Will the radical vote be divided, or could Mr. Aberhart draw it all together into one party that will stay in office another term? How quickly is the situation ripening for the defeat of Social Credit?

### Minority Movement

The last question involves a matter of opinion, and it is safe to say there is a greater concensus of opinion in Alberta at the present time that Mr. Aberhart can be defeated, than at any time in three years. Realization that Social Credit is a minority movement, having slipped badly from its position in 1935 when it represented 54% of the votes, is a factor inducing the present Government and house membership to hang on as long as possible.

The situation doubtless is that a majority of the people of Alberta are against Mr. Aberhart at this time, and if they could all be organized into one party the defeat of Social Credit in practically every riding of the province would be assured. Yet the prospects of organizing one big party to beat Aberhart break down on the hard rock of reality at so many points, that the hope of success along this line appears illusory to many political realists.

### Rôle of Unity Council

This is where the Unity Council comes in, and it is not too much to say that success or failure in defeating Social Credit may rest ultimately in what rôle the Unity Council chooses for itself.

The Unity Council has laid the groundwork for a permanent unity organization in every constituency in the province and has adopted a declaration of principles and a formula for organization work. The Council confines itself to simple principles, summarized as follows:

> The immediate necessity for Alberta is restoration of credit, confidence and self-respect. In particular, adjustment of private debts on equitable lines is fundamental, and adjustment of public obligations must be worked out in an honest manner.
>
> Greater efficiency in government, designed to provide relief for taxpayers, should be combined with balancing the budget. And harmonious relations with the Federal Government should be re-established.

### Six-point Programme

Recommendations for implementing these principles were approved by the Council as follows:

1. Party lines should be abandoned, and independent candidates nominated and elected.
2. Selection of a leader should be deferred until a majority of elected members decide the question.
3. The objectives of such members should include reduction of house membership and institution of proper business practices in government.
4. The debt problem must be solved by refunding public debt and adjusting private debt along just lines. Devising of machinery for this purpose must be done speedily.
5. Progressive and efficient policies must depend for results on the character of members elected to administer provincial affairs.
6. A balanced budget must become a reality.

The Unity Council has based its stand for good government upon broad lines to which a variety of political beliefs could adhere. It has predicated its proposed organization of local units upon the unifying of existing anti-Aberhart parties and abandonment of party lines. The question of the Unity Council's future, it appears, depends on which course it ultimately follows. Will it become a new party? Or will it operate as an agency for unifying opposition to Social Credit?

Consideration of political factors in Alberta indicates clearly these two rôles are contradictory and may add confusion where unification was intended.

### Radical Opinion

Opinion in radical circles, by which is meant the Social Credit party, the C.C.F. and the Communist party, privately hails the emergence of a permanent unity organization. Invariably the radical response is that the Unity Council will be another party of the right, further splitting moderate opinion, and assisting retention of control in Alberta by radical forces.

It may be taken as certain that the C.C.F., for instance, will have nothing to do with the Unity Council. It will be in the field at the next election in direct competition with Social Credit, bidding for dissident Social Credit support. Its chances of making gains in Alberta, it is clear, will be improved by divisions of moderate and right wing voters.

The Communist viewpoint is that efforts to create a united front on the right will speed and encourage efforts to form a united front on the left, which is what the Communists have been seeking.

The position of the U.F.A., an unpredictable factor in Alberta politics, is that it turned down an invitation at its last provincial convention to join the Unity Council, and as an organization it cannot be counted on to lend open support to Unity, if Unity is going to be a new party. Another year might see the U.F.A. in a different position.

From deliberations of the Unity Council a difference of opinion about promoting it as a new party was evident. To many members, the Council would serve its purpose best by remaining a unifying agency, devoted to encouraging existing parties to co-operate. On this basis, it is possible the U.F.A. could be brought into co-operation with the Unity Council.

### Stand of Liberal Party

As with the U.F.A., there is every indication that the Liberal party will avoid entanglements that involve dropping party lines. At the same time, the Liberal party has not deviated from the offer to co-operate with other parties laid down by Liberal Leader E. L. Gray, when he assumed leadership of the party in June, 1937. A recent meeting at Edmonton of the Liberal provincial council revealed that differences of opinion remain within the party, over its future course, and it is

(Continued on page 15)

# Fishermen and Trawlers

## Shore Schooner Men State Case in Answer to Claims For Trawlers

In the view of Maritimes fishermen, operation of fishing trawlers in Maritime coastal waters is:

1. Unnecessary to preserve the fishing industry on a stable and profitable basis, in the light of improvement of shore fishing schooners and equipment.

2. Destructive and wasteful of the industry's natural resources, the stocks available in the fishing grounds.

3. Seriously adverse to economic position of the shore schooner fishermen.

Statement of the fishermen's side of the Maritimes trawler controversy has been elicited by a discussion in the Maritimes Supplement of The Financial Post (June 25). Answer to some of the statements in the article, particularly the suggestion that opposition of the fishermen to trawlers "may be short-sighted," has been submitted by W. Lawrence Allen of Lunenburg, N.S., secretary-treasurer of Station 101, Fishermen's Federation of Nova Scotia.

### The Case Against Trawlers

In the June 25 report, trawler operation was upheld on the ground that it assured continuity of fresh fish supply, made production more efficient and economical, and was necessary to meet competition of foreign fishing interests. Foreign marketers of fish, it was pointed out, had resorted extensively to trawlers, and in some cases were shipping into central Canadian markets portions of trawler catches in Canadian waters. On these points, Mr. Allen replies in part:

"As to continuity of supply, hook-and-line fishing vessels are equipped with power, and able to make regular deliveries to the merchants. We have compiled figures from reports by the merchants themselves which prove that the (hook and line) vessels are able to give a steady supply of fish. Two companies have equipped their vessels with wireless telephones, and call them regularly to inform them as to market conditions and when to return.

"The argument that trawler caught fish are cheaper than vessel caught fish was exploded by the manager of the company using trawlers before the Royal Commission on Price Spreads in 1934. In answer to a question as to the cost of trawler caught fish, he stated that at certain times of the year the fish cost as much as 7 to 12 cents a pound, and that he had known them to cost as much as 20 cents a pound. The highest price paid to the (hook and line) vessels the past winter was 2¾ cents a pound and recently one vessel was paid ¾ of a cent a pound.

"It would seem quite natural that when trawler caught fish are costing from 7 to 12 cents a pound, the company owning the trawlers should endeavor to buy the vessel fish for ¾ of a cent a pound in order to make up on the vessel fish some part of what is lost on the trawler fish. If the Maritimes fisherman is short-sighted to object to practices of this nature, he is short-sighted to fish at all.

### Other Countries and Trawlers

"It is quite true that other countries operate trawlers, but consider the distance that the countries are from the fishing grounds and the larger markets they have to supply. The Canadian fisherman has to depend largely on the market created by a population of 10 million people, while the American fisherman has a population of over 100 million people to cater to and the English fisherman a correspondingly large market.

"The English trawlers have to go longer distances from home each year because fish are scarcer on their own grounds—scarce because the trawlers have dragged the bottom clean and destroyed the grounds, caught the young fish too small for consumption before they could mature.

"If this country is not to profit by the experience of other countries whose grounds are depleted by the operation of trawlers, then let us go ahead and license trawlers in large numbers and not favor one company."

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### Bay Adelaide

**I understand that Bay Adelaide Garage is accepting first and second mortgage bond coupons in consideration of rental space. Do you think that is fair to out-of-town bondholders?**

Toronto United Garages, the operating company, are accepting only first mortgage bond coupons at par. Because of the objections of the first mortgage bondholders this privilege was withdrawn from second mortgage bondholders in 1937.

While your objection to this method of payment of bond interest is wholly understandable, there are some factors that are acting to the benefit of the out-of-town bondholders under this arrangement.

Officials of the company reason that the garage is for the most part more than half empty and that rental of this space, even if revenue is not represented by actual cash, will serve to reduce the company's interest charges. In further justification of this course, it is pointed out that the increased number of cars in the garage serves as a valuable advertising medium and increases the sales of gas and oil. Coupon payments are in exchange for storage only. The policy of the management hardly indicates indifference to the welfare of the out-of-town bondholders but is only an expedient to make the best of a bad situation.

It is equally true that in the event of a reorganization, even first mortgage bondholders are extremely unlikely to receive par value for their bonds. In this, of course, there seems to be unequal treatment of Toronto bondholders and others in that bondholders able to take advantage of this offer receive par value for coupons attached to bonds currently quoted around 30.

### Inter. Hydro

International Hydro - Electric System 6% debentures have been recommended to me. The yield is attractive and I am wondering whether they are a safe investment.

The yield on the 6% International Hydro debentures is attractive, but this reflects the speculative nature of the security.

In recent years income of the company from its investments has not been sufficient to cover expenses and debenture interest. However, there is no immediate danger of default. At the end of last year the company had cash of $1.4 million. This altogether with interest and dividends from International Hydro-Electric Corp. and System Properties Inc. will be sufficient for expenses and interest payments this year.

The company's main hope for increased income lies with Gatineau Power Co. This company has materially improved its position and there is a distinct possibility it will commence common dividends in the near future.

### Gatineau Power

What do you think of Gatineau Power Co. bonds?

Gatineau Power first mortgage bonds are regarded as a sound investment. The company's earnings are adequate to cover interest charges by a good margin. Last year the company earned all interest charges 1.35 times after depreciation and amortization. In the current year it is expected the margin of coverage will be even greater. No doubt you are aware the company recently refunded its debentures at a lower rate of interest. Refinancing of the first mortgage bonds is under consideration. It is expected steps to do this will be undertaken before the year end.

### Canada Foundries

I am considering the purchase of Class A shares of Canada Foundries & Forgings and would appreciate a report on its earnings and prospects.

Canada Foundries & Forgings has improved its position during the past three years. Earnings in 1937 were equivalent to $3.69 a share on the Class A stock, before taking into account the equal distribution right of both classes of stock after payment of $1.50 on Class A and B shares. After taking the equal distribution right into consideration, earnings were equivalent to $2.41 a share on the Class A stock. In 1936 profits were equal to $1.04 a share on the Class A stock and 43 cents in 1935. In the year 1931 to 1934 inclusive operations resulted in a loss.

In January of this year the company paid a dividend of $1 a share on its Class A stock, the first since 1931. On July second a further interim dividend of 25 cents was paid.

No announcement has been made by the company as to dividend policy. Action in this regard will probably depend upon the trend of earnings. Volume of business on hand at the first of this year was about the same as at the end of 1936. It is probable, however, that there has been some reduction in new business during the current year so that earnings are not likely to be as high as last year.

Payment of 25 cents a share on July 2 indicates the company is not prepared to resume the full preferred dividend of $1.50 a share on the Class A stock. It is probable it will improve its liquid position first, working capital having declined from $660,850 in 1931 to $358,725. The company is in a position to benefit from any betterment in business.

### Colonial Steamships

Can you tell me if Colonial Steamships will be able to continue interest payments?

In 1937, Colonial Steamships was able to cover its interest before depreciation, as was the case in the two preceding years. A deficit for the year, however, has resulted after charging depreciation. Although interest requirements on both the 6% prior lien first mortgage bonds and the 6% general mortgage bonds has been paid to date, the sinking fund on the prior lien issue is in arrears for the past four years. The company appears to have reasonably adequate working capital.

Judging from what is known of shipping this year, it is probable that Colonial Steamships enjoyed a fairly profitable early season, but is considerably less active at the present time. The prospects for the balance of the year are largely dependent on the out-turn of the western Canadian wheat crop which, at the moment, is more promising than has been the case in the past several years.

### Northern Telephone

What are the earnings and dividends of Northern Telephone Co., and where can I find a market for the shares?

The Northern Telephone Co. controls the telephone system in Northern Ontario, with head office in New Liskeard, Ont.

There were outstanding at Dec. 31, 1937, $163,500 of 4% first mortgage serial bonds, and 434,747 shares of $1 par value common stock.

Net profit in 1937 amounted to $64,747, as compared with $50,765 in 1936, equivalent to 8.5 cents and 14.1 cents a share, respectively.

The present dividend rate on the shares is 8% payable quarterly, which has been in force for a number of years.

A Toronto unlisted dealer makes a bid of $1 a share. The stock is not actively traded.

### Canada Malting

What are the prospects for Canada Malting Co., and what is its record of dividend payments?

It is unlikely that Canada Malting Co. will be able to maintain its sales volume at levels reached in the past three or four years for much longer. During that period it was dependent to a considerable extent on exports to the United States. This market is not as satisfactory as formerly and the company is more dependent on sales in Canada. It is making efforts to develop other export markets as the retention of the export trade to the United States, while very profitable during the past four years, is regarded as somewhat problematical by the company.

For the past three years the company has paid regular dividends of $1.50 a share annually, plus extras of 50 cents a share, a total of $2 a share. In 1937, net profits were equivalent to $2.95 a share on the common. It would thus appear that prospects for Canada Malting are somewhat less favorable than was the case two years ago, although it may easily be able to maintain current dividend rate.

### Loblaw Groceterias

I am considering buying the class B shares of Loblaw Groceterias. Would you describe the operations of the company and its earnings?

The shares of Loblaw Groceterias Co. are regarded as one of the more stable types of Canadian equity securities. The B class is the voting stock of the company and sells slightly below the non-voting stock, due largely to a preference in dividend payments of the class A. After the class A receives 50 cents a share the class B gets 50 cents, and further payments are distributed equally between the two classes. Similar dividends on the classes have been paid since 1929.

At May 28, 1938, there were 445,056 class A shares outstanding, and 383,300 class B shares.

The company is engaged in the chain store business in Ontario with head offices in Toronto. At present there are 115 stores in operation, 80 of which are the complete market type. Loblaw Groceterias has an interest in Loblaw Groceterias, Inc., a groceteria company of the same type as the Canadian concern, operating in the eastern United States.

The company has been able to increase the number of its customers in the face of severe competition prevailing in this field and prevalence of price cutting in recent months and at the same time show improved earnings. This fact may be largely attributed to the gradual change-over to market type stores.

Total sales of $22.1 millions for the fiscal year ended May 28, 1938, were the highest in the history of the company, surpassing by $3 millions the previous fiscal year's figures.

Earnings per share amounted to $1.42 in the 1938 fiscal year, based on the combined shares of class A and B stock, as compared with $1.33 in the year ended May 31, 1937.

Dividends on the class A and class B shares have been paid regularly at the rate of $1 per share per annum since June 1, 1934. Bonuses of 12½ cents per share were paid along with the regular quarterly dividends on June 1 and Dec. 1, 1937 and June 1, 1938.

### Fanny Farmer

In contemplating buying the stock of Fanny Farmer, I would like to know if the company can continue to pay dividends at the present rate. Do you think that this stock rates as a "sound" investment?

Fanny Farmer Candy Shops has a record of steadily mounting sales and profits since 1932, interrupted only by a small decline in the first half of the current fiscal year. During the six-month period ended June 30 profits declined $5,438, or 1.60%, over those of a similar period in 1937 in contrast to an increase in sales of $142,591, or 4.70%, over those of the previous year.

For the year ended Dec. 31, 1937, net profits reached a record high of $803,937. Sales last year, totalling $6,640,135, were the largest in the company's history and compare with $5,682,929 for 1936. A programme of steady expansion has had much to do with its growth.

In view of the relatively small decline this year in profit, combined with improving conditions in the United States, it appears likely that the company will be able to regain this lost ground before the end of the year.

Dividends of $1 a share a year have been paid on the 390,464 shares of common stock since April 1, 1937. Extras paid in 1937 totalled 75 cents a share. In 1936, 50 cents a share was paid plus extras amounting to 37½ cents a share.

Dividend requirements have been covered on the common stock and from profits earned in the first half of the year it appears likely that the company will be able to continue at the rate established in 1937, although there can be no guarantee that the same extras will be paid.

### Independent Biscuit

I understand that Independent Biscuit Co. is controlled by George Weston. What stock does the Weston Co. own?

Independent Biscuit Co., Calgary, Alta., in addition to manufacturing biscuits acts as a sales outlet for both George Weston Limited and Wm. Patterson Limited, the two companies jointly controlling the concern. Control was acquired in 1931 through the exchange of Wm. Patterson preferred stock for the stock of the company.

In 1937, the company reorganized its capital structure. Outstanding 7% first preferred stock, of $100 par value, amounting to $150,000 was converted into 1,500, 5½% non-cumulative preferred shares of $15 par value; $57,700, 7% second preferred stock, of $100 par value, was converted into 577 shares of common stock, of $1 par value, and 5,000 no par value common shares were eliminated. Of the old stock, the two companies held $85,700 preferred; $57,700 second preferred, and 4,154 common shares.

### Building Products

What do you think of Building Products common as an investment?

Building Products Ltd. has an excellent record. As would be expected, its earnings declined during the depression, but it was able to continue dividends at a reduced rate as it has large reserves. During the past four years there has been steady improvement in earnings. Last year profits were equivalent to $3 a share and dividends paid totalled $2.45 a share. In 1934 earnings amounted to $1.28 a share and dividends to $1.25 a share.

In the current year there has been some reduction in sales, but it is understood earnings have shown little reduction. Prospects are regarded as favorable. It is expected sales in western Canada will increase and that building will be given an impetus by the Dominion Government's housing loans.

## Montreal Power July Output Down

### Gas Output Declines 1.43% in First Seven Months

**From Our Own Correspondent**

MONTREAL. — Montreal Light, Heat & Power Cons. reports electricity output for consumption in the Montreal area in July of 83,429,840 kw.h. This is exclusive of secondary and export power.

Production for the month was the second highest ever recorded in July, being 7.05% below the peak achieved in July last year.

Output for the first seven months of the year amounts to 642,800,640 kw.h., a decline of 2.03% from the same period of 1937.

Comparative electricity output figures follow:

| | 1938<br>kw. hrs. | 1937<br>kw. hrs. |
|---|---|---|
| First six months ... | 559,370,800 | 566,361,710 |
| July ............... | 83,429,840 | 89,756,990 |
| Cumulative ......... | 642,800,640 | 656,118,700 |

Gas output in July recorded only a slight decrease. For the first seven months of the year gas output shows a decline of 1.43%.

Comparative gas output figures follow:

| | 1938<br>cu. ft. | 1937<br>cu. ft. |
|---|---|---|
| First six months . | 2,526,059,000 | 2,567,455,000 |
| July ............ | 369,299,000 | 369,769,000 |
| Cumulative ..... | 2,895,358,000 | 2,937,224,000 |

## Wisconsin Central Loss Higher in First Half

Report of E. A. Whitman, receiver of Wisconsin Central Railway Co., for the six months ended June 30, 1938, shows a net deficit of $1.6 million, after all charges including interest on funded debt. Loss was $388,100 in the corresponding period of 1937.

Revenue from all branches of income was lower and the reduction effected in expenses was insufficient to compensate for the drop in earnings.

Wisconsin Central Railway is a subsidiary of Minneapolis, St. Paul & Sault Ste. Marie Railway. It has been in receivership since 1932.

Income Statement
Six Months Ended June 30

| | 1938<br>$ | 1937<br>$ |
|---|---|---|
| Total revenue ........ | 4,899,416 | 6,191,374 |
| Less: Expenses ...... | 4,306,921 | 4,504,297 |
| Net rlwy. rev. ......... | 592,495 | 1,687,078 |
| Less: Taxes .......... | 494,405 | 200,508 |
| Hire of equip. ..... | 197,723 | 336,197 |
| Terminal rental ... | 316,173 | 260,909 |
| Other deductions .. | 423,605 | 452,371 |
| Bond interest ...... | 822,752 | 825,192 |
| Net deficit ........... | 1,662,163 | 388,100 |

## Perth Brewery Granted Permit to Sell Stock

Perth Brewery Ltd. has been granted registration as a security issuer by Ontario Securities Commission. Incorporated in Ontario in December, 1937, Perth Brewery took over the business of a company of the same name in Stratford, and the Toronto Liquid Malt Co. Its authorized capital is 150,000 preference shares of $1 par value, of which 30,000 are issued and 250,000 no par value common shares, of which 65,000 are issued.

Permission has been granted to sell a total of 25,000 units, consisting of one preferred and one common share at a price of $1.20 per unit. Subscription to $25,000 of this amount must be obtained by November 1, 1938, otherwise all subscriptions are to be cancelled and the payments returned to subscribers in full, without interest.

## Buckerfields Has Chance Of Paying Arrears

VANCOUVER. — If Buckerfields, Ltd., large coast grain and milling company, meets the same conditions as it has during the past two years, arrears on the preferred will be wiped out in less than two years.

Company officials state, however, that the outlook is contingent on too many factors to justify a prediction at this time. Dividends on preferred went into arrears during the depression.

Earnings have enabled the company to pay 5% on arrears in addition to the regular 7% dividends. Arrears now stand at less than 10%.

# British Co-operatives

## Movement Facing Problems of Increasing Magnitude

By H. L. SOUTHALL

Editor-in-chief Business Newspapers, The MacLean Publishing Company, Ltd.

LONDON.—The British co-operative societies, in the field of merchandise distribution, did a total business in 1937 of more than $1¼ billion. They were the largest single buyers, in Great Britain, of a number of Canadian canned food products.

The co-op. societies, both wholesale and retail, have had a steady growth in strength and influence in this country, though the pace has obviously slowed somewhat in recent years. They cater largely to the working classes, but their stores, in the various centres in which I saw them while on a trip through England and Scotland, were models of cleanliness and effective arrangement.

Within the last few years they have spread extensively through the south of England, much to the distaste of private retailers, who dislike the co-ops. even more than they do the chain stores.

### Economic Force

The co-ops. have undoubtedly become a vast economic and political force with members in Parliament who see to their special interests. In marked contrast to the situation in Canada, the co-ops. in the British Isles have been growing steadily and claim they have not yet reached their saturation point. Recently they have adopted some rather new policies, one being the introduction of exclusive chemist shops. These are an outgrowth of the sale of proprietary medicinal lines through their general merchandise stores.

The co-ops. are not escaping certain business taxation, as they did a few years ago. A great deal of their initial success was due to the encouragement they received from sympathetic governments which heeded their plea that the workingman's "divvy" (dividend) from the co-op. was a natural institution and should be inviolate.

The co-ops. are undoubtedly facing a number of problems which may retard their future growth. They have reached that stage of development like the chain stores in America where they are a splendid target for taxation and political juggling.

To what extent these problems have become a matter of concern to the co-ops. is not known, nor is it very evident, unless it be indicated in such ways as the fact that many of them are selling merchandise to members at higher prices than are available for the same goods through independent retail stores. One hears on various sides that the co-op. movement is facing some problems of increasing magnitude.

### Sell For Cash

The fact that these stores demand cash for the most part curtails their possibilities in sections such as the agricultural and fishing districts, where people receive compensation periodically and where they require to have credit for retail purchases.

To get a definite picture it is well to consider the present relative strength of various types of retail organizations in the British Isles. There are some 750,000 shops, of which 685,000 are private traders, 40,000 are chain stores, 24,000 are co-operative and 1,000 are departmental.

Of the 24,000 co-operatives, each store has an average membership of 326. Their trade per head last year was £30. Their total 1937 trade is estimated to have exceeded £250,000,000, or one tenth of the country's total retail trade.

### 171 Factories

The London Wholesale Co-operative Society, the largest in the world, had a volume of £120,000,000 last year. I had an interesting chat with an official of this company who advised me that this one organization alone controls 171 factories, which produce about one third of what is sold by its stores.

For clarity it might be well to explain that there are a number of co-operative wholesale and retail organizations, two of the largest being the London Society, to which reference has been made, and the Scottish Wholesale Co-operative Society. The latter also controls a great many factories.

### Big Growth in War and Right After

In 14 years from 1914 onward, the movement doubled its membership. In other words, the increase between 1915 and 1928 was as great as that which had been achieved between 1844 and 1914. Since 1928 an increase of nearly two million members has been recorded.

The trade per member showed a considerable rise after 1913 until the year 1920, when the record high figure of £56.42 per member was reached. From 1920 onward there was a tendency for this figure to fall, and in 1933 it had declined to £28.52 per member. In the last three years there has been a slight increase again.

The only breakdown of membership in retail co-ops. available was one for the year when there was a total membership of 6,590,020 out of a total population for the British Isles of 49,161,437.

### Raising of Capital

The capital of the Co-operative Movement is raised, for the most part, from the small savings of its many members and no individual member is permitted to hold more than £200 worth of share capital. The extent to which small savings form the basis of co-operative capital is indicated by the share capital of retail societies, for the whole of this amount is raised from the membership. In addition, the major proportion of loan capital is obtained from the same sources.

### Do 9 to 15% of Total Retail Trade

Estimates of what proportion of the total retail trade of the country is transacted by the co-operative movement vary between 9 and 15%.

They have been particularly successful in developing trade in domestic necessities, such as groceries, coal and milk. In 1936 they handled more than one fifth of the total quantity of liquid milk consumed in Britain. In the case of fashion goods, furniture and those commodities which are not the subject of day to day purchasing, they have admittedly not been so successful.

Following is a table analyzing co-operative retail trade by merchandise groupings with comparisons over a 10-year period:

| Department | Percentage of Total Trade<br>1925 | <br>1935 |
|---|---|---|
| Grocery .................. | 68.6 | 56.8 |
| Butchering ............... | 6.8 | 8.5 |
| Dairy .................... | 2.5 | 7.7 |
| Coal ..................... | 2.7 | 4.5 |
| Confectionery ............ | *2.8 | 0.9 |
| Greengrocery and Fish .. | 0.9 | 1.6 |
| Drapery ................. | 6.0 | 8.0 |
| Boot and Shoe ........... | 2.0 | 2.6 |
| Tailoring and Outfitting . | 1.5 | 2.7 |
| Chemist ................. | 0.2 | 0.6 |
| Furnishing† ............. | .. | 3.3 |
| Sundry and Unclassified. | 6.2 | 2.8 |
| Total Retail Trade ...... | 100.0 | 100.0 |

*Includes some bread trade later included in Grocery. †Includes Hardware, Earthenware, and Jewellery.

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Reserve Fund . . . . 6,150,000
Reserve Liability of Proprietors . . . . 8,780,000
£23,710,000
Aggregate Assets 30th Sept., 1937 . . . £123,145,000
A. C. DAVIDSON, General Manager.
350 BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua, Mandated Territory of New Guinea, and London. The Bank transacts every description of Australasian Banking Business. Wool and other Produce Credits arranged.
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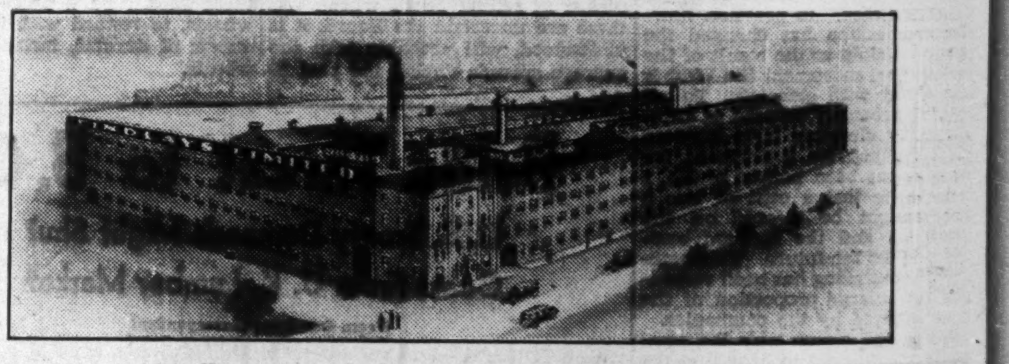
Agency arrangements with Banks throughout Canada.



Findlays Limited plant at Carleton Place, Ontario

From Dog Churns To Air Conditioning

Findlays Limited was founded at Carleton Place in 1860 by David Findlay, a Scot by birth. In his tiny foundry he cast plow points, made dog churns — the treadmill on which Rover churned butter for pioneer families — and later turned to the manufacture of cook stoves, the large cast iron variety which were the pride of early Canadian households.

The fame of Findlays' stoves soon spread beyond the Ottawa Valley. Today Findlays manufacture a complete line of modern Coal and Wood Ranges, Electric and Gas Ranges, Combination Ranges and certain types of Air Conditioning equipment. Their products are sold throughout Canada, Newfoundland, South Africa, Australia and New Zealand.

The tiny foundry has expanded into a large modern plant — but the personal concern for employees shown by the founder has remained, strengthened by 78 years of personal association between the Findlay family and generations of employees.

Findlays took out, on March 31, 1927, a Group Life policy issued by the Confederation Life Association. Their expansion from 1927 to 1938 has been reflected in a 25 per cent increase in Findlays' employees, whose families are protected by Group Life insurance. Confederation Life to date has paid promptly $30,000 in death and disability benefits to the families of employees.

In order to extend the benefits of Group Insurance for employees, Findlays Limited subsequently added Group Sickness and Accident coverage, thus giving their employees two-way protection.

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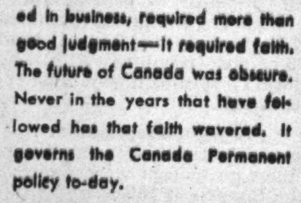

Faith in Canada's Future

To lend money on Canadian real estate away back in 1855, when this Corporation was first established in business, required more than good judgment—it required faith. The future of Canada was obscure. Never in the years that have followed has that faith wavered. It governs the Canada Permanent policy to-day.

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ASSURANCE COMPANY
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*Insurance*

# Reopen Issue Of Car Liability

## Compulsory Insurance to be Considered at Superintendents' Meeting

A feature of the approaching conference of the Superintendents of Insurance of Canada which takes place in Victoria August 22 to 25 will be the address of H. Earle, Comissioner of Insurance of Salem, Oregon. Mr. Earle is to speak of "State versus Federal Control of Insurance," a subject which is of great interest to Canadians.

In the discussions of the conference itself it is believed that compulsory automobile insurance will be discussed. From time to time certain lay bodies pass resolutions and individuals make suggestions that compulsory automobile insurance is desirable. Some years ago, the whole question was examined by Mr. Justice Frank Hodgins, who presented an exhaustive report to the Ontario Government. This report was followed by the framing of the financial responsibility laws and it was felt that the requirements of the situation were met as well as could be at that time. It is understood, however, that those concerned are ready to examine any constructive suggestions.

### Protection for Employers

Another phase of automobile insurance which is likely to come before the conference is exclusion from liability in an owner's form of automobile insurance. The point for consideration is the protection of an employer when an employee driving his own car or that of his employer meets with an accident causing injury to a relative of his own.

If the employee is the owner of the car the employer can obtain a non-ownership contingent liability policy, but if the employer is the owner he cannot under existing forms protect himself, and the insurer (that is, the insurance company) is prohibited under the act in certain provinces from giving him protection.

Apart from automobile insurance many other important questions will come up for discussion.

Among them, it is believed in unofficial circles, will be the question of further classification and definition of insurance coverages.

It is rumored that the Dominion Department of Insurance will submit its views in certain matters to the conference. This would mark a big step toward the solution of many of the insurance problems. Greater clarity and uniformity in regulation is likely to result in any exchange of ideas between the Dominion and the provinces.

FIDELITY
Insurance Company
of Canada
TORONTO

### NOTICE

NOTICE is hereby given that the Dominion Insurance Department has granted Certificate of Registry No. C-627 authorizing American Exchange Underwriters to transact in Canada the business of falling aircraft, hail, limited or inherent explosion, civil commotion, tornado insurance and insurance against loss of or damage to property caused by vehicles, limited to the insurance of the same property as is insured under a policy of fire insurance of the Company, in addition to the classes for which it is already registered.

V. W. GERRISH,
Chief Agent for Canada.

July 26, 1938.

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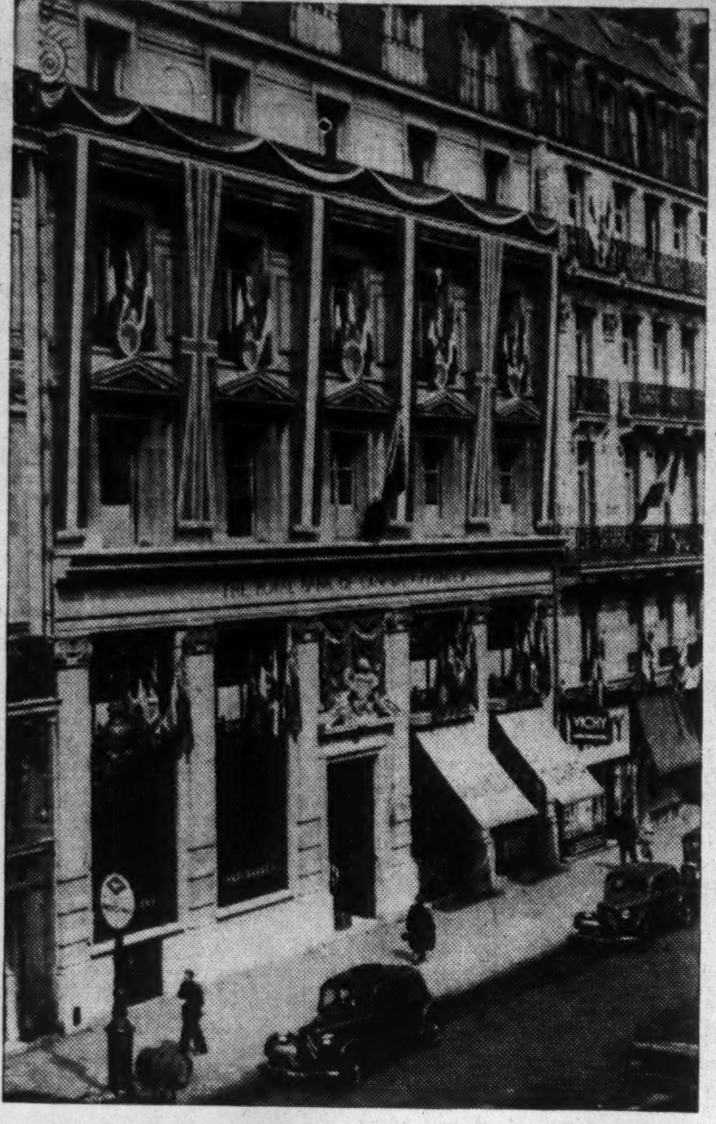


*CANADIAN BANK WINS AWARD*

On the occasion of the visit of the King and Queen to Paris recently, the Royal Bank of Canada (France) was awarded the "Grand Prix" for the best decorated facade in Paris. The manager also received a cup as a token of the award.

# Insurance Exch. Net Loss Down

## Totals $11,361 in Year Ended Apr. 30, Against $14,459

Insurance Exchange Corp. incurred a net loss of $11,361 for operations during the fiscal year ended April 30, as compared with a net loss of $14,459 in the 1937 fiscal year.

Gross income dropped $2,355 in 1938, but operating profit because of lower operating expenses rose $3,594.

Obligatory interest of 2% on the 5½% first mortgage bonds totalled $34,410 in both years on $1,720,500 of bonds outstanding. The 3½% cumulative interest contingent upon net profits has not been earned nor paid since Jan. 16, 1936.

The company's capital structure was rearranged in 1936, and the first mortgage bonds exchanged for new bonds of similar face value, plus one share of common stock, of $1 par value for every $100 of bonds held.

Assets of the company at April 30, 1938, totalled $1,776,703, as compared with $1,778,809 at April 30, 1937. There was an excess of current liabilities over current assets of $22,571 in 1938, and another excess of current liabilities over current assets of $11,825 in 1937.

The auditor states in the annual report that no provision has been made during the year for depreciation of the fixed assets.

The company operates the Montreal Insurance Exchange, an 11-story office building in Montreal.

**Income and Surplus Account**
Years Ended April 30

| | 1938<br>$ | 1937<br>$ |
|---|---|---|
| Gross income | 153,364 | 155,719 |
| Oper. expenses | 124,295 | 130,244 |
| Operating profit | 29,069 | 25,475 |
| Less: Bond int. | 34,410 | 34,410 |
| Exec. salaries | 3,600 | 3,600 |
| Dir. fees & exp. | 2,120 | 1,624 |
| Legal fees | 300 | 300 |
| Net loss | 11,361 | 14,459 |
| Add: Prev. deficit | 27,955 | 13,496 |
| Less: Prior adjust. | 4,775 | ...... |
| Deficit forward | 34,541 | 27,955 |

## H. D. McNairn Appointed To U. S. Special Committee

Hartley D. McNairn, Superintendent of Insurance for Ontario, has been appointed a member of the Special Committee of the National Association of Insurance Commissioners of the United States on revision of fire policy.

The committee on revision is endeavoring to simplify and modernize the standard fire insurance policy. The possibility of eliminating clauses of a restrictive nature which are often cancelled by riders is being investigated and the possibility of broadening the coverage will also be examined.

# Insurance Notes

At the 56th annual meeting of the Western Canada Insurance Underwriters' Association at Minaki recently, N. J. Black of the Commercial Union Assurance Company Limited at Winnipeg was elected president.

Associated with Mr. Black on the executive will be vice-presidents, P. A. Coderre, St. Paul Fire (Fire section); C. M. Nicholls, Prudential, (Automobile section); committee, J. A. Dowler, Canadian Fire; S. N. Richards, Liverpool & London & Globe; W. E. Meikle, Law, Union and Rock; C. E. Chandler, British America; A. C. Ruby, Eagle Star; E. P. Withrow, Dominion of Canada General; W. J. Scrimes, Hartford Fire; and R. P. Simpson, Sun Insurance Office.

* * *

The appointment of Frank E. Wrong as assistant manager of the Halifax Fire Insurance Co. was recently announced. Mr. Wrong and Arthur C. Baillie, general manager of the company, will visit branch offices and agencies across the Dominion and are scheduled to return to Halifax by way of New York early in October.

* * *

The big fire at Vancouver which destroyed much property along the waterfront has brought criticism that the city did not have a fire boat with which to fight the flames from the waterside. There is a fire boat belonging to the city, but it was located in False Creek, too far away to reach Burrard Inlet in time to be of much assistance. Fire Chief McDiarmid asked for a $220,000 fire boat in his 1938 estimate, but it is stated that the city council struck it out on the ground of economy.

## London Assurance Reports Higher Canadian Income

Net fire premiums of The London Assurance and subsidiary companies in 1937 amounted to $10,054,340. Loss ratio worked out at 42%. Increasing demands in connection with taxation in Canada and other countries offset any reduction in expenses. The expense ratio amounted to 49.5 per cent. Profits for 1937 were over $906,000. In the accident department premium income was $433,185 higher at $7,026,490. Ratio of claims paid and outstanding, however, was 57.7% compared with 56.6% in 1936. Profits from this department were $490,385.

Total assets of the whole group at the end of 1937 amounted to $101,188,270.

Premium income of the Canadian branch in 1937 was $647,149 for the group an increase for the year of $167,223. Combined loss ratio was 46.06%, down slightly from the preceding year.

# Bank Chat

The Imperial Bank of Canada is opening a branch at Virginiatown in northern Ontario under the management of A. E. Butler. Mr. Butler was formerly on the inspection staff of the bank in the West. Virginiatown is the new community that has come into being as a result of the development of Kerr-Addison Gold Mines Limited in the Larder Lake mining district. It is situated on Kerr-Addison ground and is the scene of considerable building activity as many of the employees of the company are buying lots and putting up houses.

* * *

Contract for the new building of the Bank of Nova Scotia at New Westminster, B.C., has been let to Ward & Sons Limited, New Westminster. The building will be situated at Columbia and Begbie Streets and will cost about $60,000. Supervising architects for the structure are Sharp and Thomson of New Westminster. The plans prepared by Murray Brown of Toronto call for a one story building with stone masonry exterior. It will have a depth of 91 feet, a width of 33 feet and be 29 feet high.

* * *

Exploration of America's banking system is likely to be made at the next session of Congress. While few concrete proposals for improvement have yet been submitted it is understood that there is broad feeling among Federal reserve members that wide reforms are necessary.

## *Bank of Canada Weekly Statement*

Holdings of Dominion Government securities in the Bank of Canada showed an increase of $2.8 millions in the week ended Aug. 3 as compared with the previous week, while holdings of other Dominion government securities showed a nominal decrease of $245,990. Holdings of gold were practically steady, but the reserve of sterling and U. S. currencies was down by $1.9 million.

The biggest change on the credit side of the statement was in the item "all other assets" which rose from $3.4 millons to $10.7 millions in the week under review.

On the liability side, note circulation increased $2.5 millions, more than offsetting the reduction in this item shown in the previous week. Deposits by the chartered banks with the Bank of Canada rose during the period by $2.9 millions.

Other changes were of minor importance.

**Balance Sheet**

| Liabilities | Aug. 3<br>1938<br>$ | July 27<br>1938<br>$ |
|---|---|---|
| Capital paid-up | 10,100,000 | 10,100,000 |
| Notes in circ. | 158,259,589 | 155,742,515 |
| Rest fund | 1,348,414 | 1,348,414 |
| Depos.: Dominion | 14,595,100 | 15,862,196 |
| Banks | 196,572,768 | 193,610,130 |
| Other | 2,845,961 | 2,079,051 |
| Total deposits | 214,013,829 | 211,551,377 |
| All other liabs. | 5,249,415 | 1,914,424 |
| Total liabs. | 388,971,247 | 380,656,730 |
| **Assets** | | |
| Reserve: Gold | 180,695,966 | 180,409,608 |
| Res. in sterling and U. S. | 24,870,359 | 26,765,740 |
| Other curr. | 1,046 | 1,050 |
| Total reserve | 205,567,371 | 207,176,398 |
| Subsidiary coin | 335,486 | 316,487 |
| Investments: | | |
| Dom. govt. short | 118,329,060 | 115,467,382 |
| Other Dom. govt. | 52,379,284 | 52,625,234 |
| Total invest. | 170,708,344 | 168,092,616 |
| Premises | 1,656,557 | 1,656,557 |
| All other assets | 10,703,489 | 3,414,672 |
| | 380,971,247 | 380,656,730 |
| Reserve ratio | 55.21% | 56.40% |

## Weekly Bank Clearings

| | Aug. 4<br>1938<br>$ | Change<br>year ago<br>% | July 28<br>1938<br>$ |
|---|---|---|---|
| Halifax | 2,845,013 | —0.4 | 2,407,695 |
| Saint John | 2,013,028 | —31.5 | 1,554,709 |
| Moncton | 793,975 | —3.8 | 720,816 |
| Sherbrooke | 777,885 | —0.5 | 642,108 |
| Quebec | 5,582,692 | —2.1 | 3,912,881 |
| Montreal | 133,488,956 | —2.6 | 104,236,287 |
| Ottawa | 24,128,296 | +13.7 | 13,586,918 |
| Peterborough | 578,713 | +2.5 | 529,127 |
| Toronto | 137,375,211 | +18.3 | 98,713,599 |
| Hamilton | 4,595,787 | —5.3 | 5,350,590 |
| Kitchener | 988,200 | +2.9 | 972,840 |
| Brantford | 824,894 | —20.0 | 765,530 |
| London | 2,388,360 | —6.6 | 2,515,063 |
| Chatham | 488,404 | +32.9 | 482,755 |
| Sarnia | 449,039 | +13.2 | 477,302 |
| Sudbury | 944,462 | +8.4 | 1,151,105 |
| Fort William | 625,017 | —18.7 | 693,470 |
| Winnipeg | 25,824,204 | —22.1 | 23,728,823 |
| Brandon | 398,638 | +10.3 | 298,394 |
| Regina | 3,099,878 | —7.7 | 2,942,797 |
| Moose Jaw | 583,777 | +1.8 | 492,446 |
| Saskatoon | 1,555,133 | +25.0 | 1,064,560 |
| Prince Albert | 323,797 | —18.6 | 286,308 |
| Edmonton | 3,591,116 | —2.8 | 3,222,064 |
| Calgary | 3,001,179 | —42.3 | 4,042,810 |
| Medicine Hat | 202,562 | —16.7 | 156,837 |
| N. W'minster | 727,639 | —0.5 | 654,659 |
| Vancouver | 19,050,549 | —5.5 | 15,849,404 |
| Victoria | 1,894,600 | —2.2 | 1,623,531 |
| Lethbridge | 437,885 | +5.1 | 416,584 |

## Staff Changes

**The Imperial Bank of Canada** announces the following staff changes:

A. I. McINTYRE, formerly accountant, Essex, Ont., to be manager at Larder Lake, Ont.

H. D. FELSTEAD, formerly attached to Niagara Falls, main branch, to be accountant, Essex, Ont.

W. L. SISSON, formerly accountant, Fernie, to be accountant, Athabasca, Alta.

L. A. LANGAN of Wilkie, Sask., to be accountant, Fernie, B.C.

**Banking**

# Upward Trend Shown by Commercial Loans

Increases in current and call loans and in investments as compared with the previous month were among the important features of the composite bank statement for the month of June.

The increase in the current loans amounting to $16.8 millions over the previous month was not large. It was nevertheless significant, especially when compared with the trend of years immediately preceding. In 1937, for instance, the gain was only $410,275 over May while in June 1936 a decrease of $42.3 millions from the previous month was shown. In 1935, the current loans in June were $6.9 millions above those of May. It will therefore be seen that the change during June 1938 was the most favorable in the last four years.

Current loans in June last were $57.6 millions above those of June, 1937. The 1937 figures were $70.8 millions above those of June, 1936.

These comparisons again bear out the fact that there is a better demand for current or commercial loans than there has been for some years.

### Better Business Sentiment

Undoubtedly the better sentiment resulting from the larger crop in the West has had some effect on the loan situation. Already it is stated orders are being received by eastern furniture firms from western buyers while the demand for lumber at interior mills in British Columbia has also increased. The larger crop will probably cause a heavier demand for loans in the next few months.

The increase in investments indicates that the banks are still finding difficulty in placing their funds where they will be both secure and profitable. The low yield on Dominion Government and other gilt-edged securities does not make them very attractive from an earnings viewpoint. The banks would rather lend their money out in the usual way but until the demand for commercial loans improves considerably further than it has so far, it is likely that banks' investments will continue to expand.

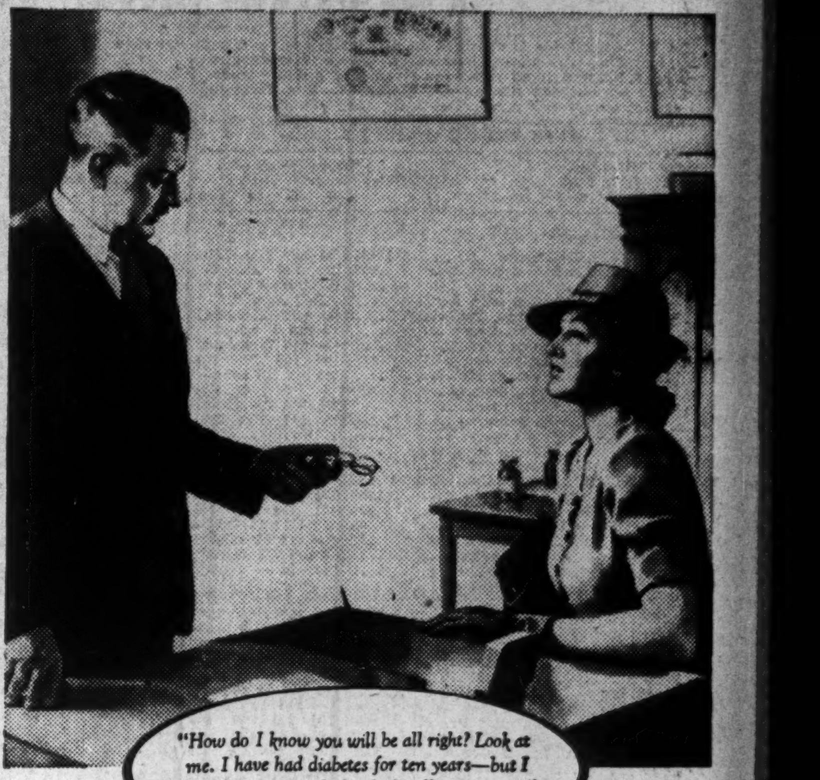
### Circulation Recedes

Another item to which attention may be called is the decrease in note circulation of the chartered banks as compared with a year ago. This stood at $103.9 millions at the close of June last. In the previous four years it was as follows: 1937, $112.9 millions; 1936, $123.2 millions; 1935, 129.5 millions and 1934, $141.5 millions. It will be recalled that at the inception of the central bank it was provided that the note circulation of the chartered banks would be gradually reduced, and while the June figures should not be regarded as reflecting the actual yearly reductions they do indicate the trend.

Changes in the principal items are shown in the following table:

| ASSETS | June,<br>1938<br>$ | May,<br>1938<br>$ | Change<br>$ | June,<br>1937<br>$ | Change<br>$ |
|---|---|---|---|---|---|
| **Immediately Available Liquid Assets** | | | | | |
| Canadian coin | 4,982,342 | 5,452,012 | — 469,670 | 4,930,518 | + 51,824 |
| Bk. of Can. notes | 46,080,853 | 52,185,613 | — 6,104,760 | 43,418,059 | + 2,662,794 |
| Bk. of Can. depos. | 195,446,590 | 189,130,979 | + 6,315,611 | 189,835,653 | + 5,610,937 |
| Bank's cash | 246,509,785 | 246,768,604 | — 258,819 | 238,184,230 | + 8,325,555 |
| Other bank notes | 5,448,964 | 6,416,259 | — 967,295 | 6,309,229 | — 860,265 |
| Gold & sub. coin abd. | 4,638,784 | 4,747,348 | — 108,564 | 4,582,704 | + 56,080 |
| Foreign banks | 120,779,453 | 126,681,709 | — 5,902,256 | 112,509,266 | + 8,279,187 |
| Foreign curr. | 28,290,791 | 24,950,867 | + 3,339,924 | 22,655,059 | + 5,635,732 |
| Gov. sec. short term | 436,888,418 | 447,541,195 | —10,652,777 | 439,718,116 | — 2,829,698 |
| Do., long term | 719,496,306 | 700,487,661 | +19,008,645 | 697,005,073 | +22,491,233 |
| Call loans abroad | 53,210,149 | 57,891,739 | — 4,681,590 | 70,484,846 | —17,274,697 |
| | 1,615,262,650 | 1,615,485,382 | — 222,732 | 1,591,448,523 | +23,814,127 |
| **Loans and Securities Other Than Those of Canadian Government** | | | | | |
| Municipal secs. | 110,950,858 | 114,951,278 | — 4,000,420 | 115,246,264 | — 4,295,406 |
| Public secs.♦ | 60,583,515 | 62,517,886 | — 1,934,371 | 65,190,983 | — 4,607,468 |
| Other secs. | 134,218,772 | 123,899,962 | +10,318,810 | 124,799,059 | + 9,419,713 |
| Can. call loans | 69,381,551 | 65,706,387 | + 3,675,164 | 116,126,876 | —46,745,325 |
| Current loans | 785,974,554 | 769,128,651 | +16,845,903 | 728,290,407 | +57,684,147 |
| Loans abroad | 181,339,505 | 162,344,283 | +18,995,222 | 158,661,756 | +22,677,749 |
| Prov. loans | 19,498,371 | 17,762,073 | + 1,736,298 | 17,040,928 | + 2,457,443 |
| Mun. loans | 115,917,057 | 112,724,402 | + 3,192,655 | 107,532,972 | + 8,384,085 |
| | 1,477,864,183 | 1,429,034,922 | +48,829,261 | 1,432,889,245 | +44,974,938 |
| **Other Assets** | | | | | |
| Non-curr. loans | 9,991,660 | 10,035,596 | — 43,936 | 11,793,125 | — 1,801,465 |
| Real estate | 8,336,905 | 8,374,535 | — 37,630 | 8,674,538 | — 337,633 |
| Mortgages | 4,415,777 | 4,420,457 | — 4,680 | 4,238,171 | + 177,606 |
| Premises | 73,471,985 | 73,617,862 | — 145,877 | 74,602,851 | — 1,130,866 |
| Letters of credit | 59,043,563 | 57,958,042 | + 1,085,521 | 72,765,631 | —13,722,068 |
| Loans to comp. | 11,455,350 | 11,472,624 | — 17,274 | 11,253,925 | + 201,425 |
| Other assets | 2,310,438 | 2,215,305 | + 95,133 | 2,214,653 | + 95,785 |
| | 169,025,678 | 168,094,421 | + 931,257 | 185,542,894 | —16,517,216 |
| Total | 3,262,152,511 | 3,212,614,725 | +49,537,786 | 3,209,880,662 | +52,271,849 |
| Note circ. dep. | 6,144,958 | 6,001,420 | + 143,538 | 7,137,377 | — 992,419 |
| Int. bank bal. | 130,241,393 | 112,906,721 | +17,334,672 | 141,490,919 | —11,249,526 |
| Gross | 3,398,538,862 | 3,331,522,866 | +67,015,996 | 3,358,508,958 | +40,029,904 |
| **LIABILITIES** | | | | | |
| **To the Public** | | | | | |
| Circulation | 103,925,690 | 97,298,721 | + 6,626,969 | 112,992,378 | — 9,066,688 |
| Dom. Govt. | 98,372,323 | 59,006,072 | +39,366,251 | 48,618,689 | +49,753,634 |
| Prov. Govt. | 49,829,873 | 48,105,702 | + 1,724,171 | 47,575,010 | + 2,254,863 |
| **Deposits by Public** | | | | | |
| Demand dep. | 689,941,578 | 669,938,337 | +20,003,241 | 713,177,394 | —23,235,816 |
| Savings dep. | 1,620,819,977 | 1,625,497,864 | — 4,677,887 | 1,569,815,485 | +51,004,492 |
| Total | 2,310,761,555 | 2,295,436,201 | +15,325,354 | 2,282,992,879 | +27,768,676 |
| Foreign dep. | 409,569,736 | 404,306,127 | + 5,263,609 | 425,279,262 | —15,709,526 |
| **Due to Banks Abroad, Etc.** | | | | | |
| United Kingdom | 12,524,196 | 11,165,714 | + 1,358,482 | 12,212,823 | + 311,373 |
| Foreign | 42,195,219 | 44,039,547 | — 1,844,328 | 42,931,567 | — 736,348 |
| Bills payable | 251,511 | 235,012 | + 16,499 | 906,575 | — 655,064 |
| Letters of credit | 59,043,563 | 57,958,042 | + 1,085,521 | 72,765,631 | —13,722,068 |
| Other liabs. | 2,964,388 | 2,883,891 | + 80,497 | 2,900,605 | + 63,783 |
| Total public liabs. | 3,089,438,054 | 3,020,435,029 | +69,003,025 | 3,049,175,419 | +40,262,635 |
| Due bet. banks | 15,966,159 | 17,793,793 | — 1,827,634 | 17,281,613 | — 1,315,454 |
| **Liability to Shareholders** | | | | | |
| Dividends | 1,397,993 | 2,364,170 | — 966,177 | 809,387 | + 588,606 |
| Reserve | 133,750,000 | 133,750,000 | ....... | 133,750,000 | ....... |
| Capital | 145,500,000 | 145,500,000 | ....... | 145,500,000 | ....... |
| Gross | 3,386,052,206 | 3,319,842,992 | +66,209,214 | 3,346,516,419 | +39,535,787 |
| Credit index* | 37.0% | 36.3% | + 0.7% | 37.0% | ....... |

♦ Other than Canadian.
* Ratio of current and call loans in Canada to demand and savings deposits in Canada.



Few Doctors Die of Diabetes

"How do I know you will be all right? Look at me. I have had diabetes for ten years—but I use the same methods which will protect you."

Few doctors who have diabetes die of the disease. Why? Because they know how to keep it under control.

Insulin is the great modern defense against death from diabetes. It is now so dependable that many doctors feel justified in promising adult diabetic patients almost as long a life with the disease as without it. With insulin, a diabetic child can grow, study and play with other children on nearly even terms.

Diabetes is more frequent among middle-aged, overweight persons and those in whose family there is a history of the disease. But many people predisposed to diabetes may escape it by keeping underweight through correct diet and exercise.

A neglected mild case of diabetes is apt to become severe, while the severe case, carefully treated, usually does not progress. There are thousands of persons in this country with mild diabetes who need insulin but do not take it. Many of these diabetics prefer to risk the consequences rather than have three or four injections of insulin each day. They no longer have this reason for endangering their lives.

A new form of insulin—protamine insulin—injected once daily is effective in treating the majority of mild cases—and at first most cases are mild.

Many unnecessary deaths among diabetics are the result of coma or infections. They might be avoided if the doctor's orders regarding insulin, diet and exercise are heeded.

The usual reward for obedience to the doctor's orders is added years of comfort and of life. Doctors know this, and that is why few of them die of diabetes.

Send for the Metropolitan free booklet "Diabetes" which tells some of the symptoms and describes how to guard against the disease. Address Booklet Department, 8-F-38, Canadian Head Office, Ottawa.

METROPOLITAN LIFE
INSURANCE COMPANY
NEW YORK
FREDERICK H. ECKER
Chairman of the Board
LEROY A. LINCOLN
President
CANADIAN HEAD OFFICE—OTTAWA
SERVING CANADA SINCE 1872

CRAVEN "A"
kindest to my lips and throat
Craven 'A' cork-tipped cigarettes in the 'easy-access' inner foil pack and sealed fresh in moisture-proof cellophane.
20 for 25c.
ALSO IN TINS 50 for 60c.
Same price as in England
C.A. 457
MADE SPECIALLY TO PREVENT SORE THROATS
CRAVEN PLAIN (Without Cork-Tip) SAME FINE QUALITY AS CRAVEN 'A'
in Green Packets 20 for 25c. Carreras Ltd., London, Eng.—150 years' reputation for quality.

MAKE YOUR FIRE INSURANCE
pay you dividends . . .
BRANCHES ACROSS CANADA
Toronto
Hamilton
Ottawa
Montreal
Quebec City
St. John
Halifax
Moncton
Winnipeg
Saskatoon
Calgary
Edmonton
Victoria
Kelowna
Vancouver
Last year $1,291,497 was returned to our policyholders. May we tell you how you may participate in these dividends in 1938? Write or telephone our nearest office.
NORTHWESTERN MUTUAL FIRE ASSOCIATION
NON-ASSESSABLE POLICIES ASSETS $7,683,067

Automobile and General Casualty Insurance
AGENCY INQUIRIES INVITED
SERVICE SAVING SECURITY
Fire and Allied Lines Written in Associated Companies
LUMBERMENS MUTUAL Casualty Company
VANCE C. SMITH, Chief Agent
CONCOURSE BUILDING
TORONTO

# *Position of Chartered Banks of Canada as of June 30, 1938, Shown by Monthly Returns to Minister of Finance*

LIABILITIES / SUPPLEMENTARY INFORMATION

| NAME OF BANK | Notes in Circulation | Deposits by and Bal. Due to Dominion Government | Deposits by and Bal. Due to Provincial Governments | Advances from Bank of Canada secured | Demand Deposits in Canada | Savings Deposits in Canada | Deposits Elsewhere▲ | Bal. due to other banks in Canada | Due to Banks in U.K. | Due to Banks Elsewhere | Bills Payable | Letters of Credit outstanding | Other Liabilities | Dividends Declared and unpaid | Reserve Fund | Capital Paid Up | Total Liabilities | Capital Authorised | Capital Subscribed | Last Dividend | *Loans to Directors and firms of which they are partners | Average Notes and deposits with Bank of Can. | Greatest amount of Notes in Cir |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | % | $ | $ | $ |
| Montreal | 23,117,691 | 47,197,356 | 8,301,131 | ........ | 196,132,722 | 435,558,868 | 63,241,594 | 3,416,336 | 2,112,224 | 6,589,256 | 107,184 | 9,128,890 | 2,326,044 | 20,890 | 39,000,000 | 36,000,000 | 872,250,191 | 50,000,000 | 36,000,000 | 8 | 542,066 | 69,495,841 | 23,117,691 |
| Nova Scotia | 9,640,713 | 6,808,711 | 706,187 | ........ | 42,280,140 | 150,370,718 | 48,228,279 | 2,271,126 | 260,892 | 2,489,092 | 33,993 | 5,570,220 | 107,185 | 361,688 | 24,000,000 | 12,000,000 | 305,128,949 | 15,000,000 | 12,000,000 | 12 | 2,865,796 | 21,722,000 | 9,640,713 |
| Toronto | 4,298,844 | 4,750,207 | 338,971 | ........ | 33,728,982 | 81,743,115 | 142,843 | 911,769 | 422,103 | 1,900,376 | ........ | 955,101 | ........ | 2,098 | 9,000,000 | 6,000,000 | 144,194,412 | 10,000,000 | 6,000,000 | 10 | 785,989 | 16,009,165 | 4,298,844 |
| Provinciale | 2,971,714 | 265,468 | 5,157,586 | ........ | 6,941,064 | 39,147,812 | 161,444 | ........ | | 104,783 | ........ | 123,123 | 2,161 | 7,408 | 1,000,000 | 4,000,000 | 59,882,566 | 5,000,000 | 4,000,000 | 6 | 169,315 | 3,870,499 | 3,093,984 |
| Commerce | 18,781,290 | 12,732,558 | 14,175,490 | ........ | 143,220,438 | 321,395,192 | 65,466,248 | 1,832,168 | 1,879,397 | 11,582,574 | 26,466 | 18,099,440 | ........ | 610,357 | 20,000,000 | 30,000,000 | 659,801,623 | 50,000,000 | 30,000,000 | 8 | 6,122,666 | 52,888,954 | 18,781,290 |
| Royal | 28,199,212 | 18,765,794 | 12,074,895 | ........ | 175,640,893 | 320,030,953 | 224,307,490 | 186,594 | 2,058,791 | 13,181,995 | 45,399 | 19,702,940 | 71,634 | 36,404 | 20,000,000 | 35,000,000 | 869,273,001 | 50,000,000 | 35,000,000 | 8 | 1,485,201 | 47,888,750 | 28,199,212 |
| Dominion | 5,478,864 | 2,344,552 | 717,014 | ........ | 32,559,391 | 75,291,402 | 3,259,553 | 3,310,611 | 1,510,782 | 1,292,534 | ........ | 2,512,585 | 368,811 | 175,365 | 7,000,000 | 7,000,000 | 142,821,467 | 10,000,000 | 7,000,000 | 10 | 718,521 | 10,990,237 | 5,478,864 |
| Nationale | 5,409,549 | 1,385,490 | 467,601 | ........ | 24,131,532 | 102,739,823 | 819,581 | 1,469,356 | 91,391 | 1,031,429 | 38,469 | 742,290 | 88,508 | 7,148 | 5,000,000 | 7,000,000 | 150,422,172 | 10,000,000 | 7,000,000 | 8 | 124,923 | 9,631,350 | 5,409,549 |
| Imperial | 5,652,513 | 3,991,618 | 7,888,294 | ........ | 32,691,344 | 88,472,226 | 527,820 | 2,105,059 | 734,406 | 2,524,310 | ........ | 799,589 | ........ | 176,635 | 8,000,000 | 7,000,000 | 160,563,818 | 10,000,000 | 7,000,000 | 10 | 613,890 | 10,135,093 | 5,652,513 |
| Barclay's (Canada) | 375,300 | 130,569 | 2,704 | ........ | 2,615,072 | 6,099,868 | 3,414,884 | 463,140 | 3,454,210 | 1,498,870 | ........ | 1,409,385 | ........ | ........ | 750,000 | 1,500,000 | 21,714,007 | 1,500,000 | 1,500,000 | ........ | 8,200 | 1,025,768 | 375,300 |
| Total | 103,925,690 | 98,372,323 | 49,829,873 | ........ | 689,941,578 | 1,620,819,977 | 409,569,736 | 15,966,159 | 12,524,196 | 42,195,219 | 251,511 | 59,043,563 | 2,964,343 | 1,397,993 | 133,750,000 | 145,500,000 | 3,386,052,206 | 211,500,000 | 145,500,000 | ........ | 13,436,576 | 243,160,657 | 104,047,980 |

▲Of this amount, $47,626,048 represents deposits in Canada in currencies other than Canadian, carried under demand and savings deposits in Canada, prior to Aug., 1935.

*And loans for which they are guarantors.

ASSETS

| NAME OF BANK | Gold and Subsidiary Coin Held in Canada | Gold and Subsidiary Coin Held Elsewhere | Notes of Bank of Canada | Deposits with Bank of Canada | Notes of other Banks | Govt. and Bank Notes other than Canada | Cheques on other banks | Balances due from other banks in Canada | Due by banks in U.K. | Due by banks elsewhere | Govt. sec. short term | Gov. sec. long term | Canadian municipal securities | Public sec. other than Can. | Other bonds and stocks | Call loans in Canada | Call loans elsewhere | Current loans in Canada | Current loans elsewhere | Loans to provincial governments | Loans to municipalities | Non-Current loans | Real estate other than Bank premises | Mortgages on real estate | Bank Premises | Deposit for note circulation | Other assets | Total assets▲ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Montreal* | 1,029,143 | 110,731 | 13,792,324 | 56,922,309 | 1,385,870 | 523,462 | 35,241,962 | ........ | 11,004,875 | 21,330,227 | 160,411,200 | 196,295,835 | 32,197,456 | 10,185,262 | 38,786,453 | 6,215,869 | 19,045,259 | 164,820,021 | 31,225,252 | 1,313,081 | 42,264,338 | 1,999,721 | 565,350 | 590,597 | 13,900,000 | 1,390,511 | 2,012,279 | 873,688,287 |
| Nova Scotia | 329,487 | 1,280,959 | 3,863,145 | 16,634,808 | 362,379 | 4,765,868 | 13,028,928 | ........ | 3,338,811 | 9,896,655 | 23,483,781 | 72,163,091 | 12,696,393 | 628,185 | 13,928,348 | 7,051,265 | 2,510,854 | 82,347,377 | 16,167,120 | 1,088,424 | 4,816,432 | 509,217 | ........ | 98,870 | 6,384,139 | 535,483 | 2,690,110 | 306,120,359 |
| Toronto | 206,555 | ........ | 1,940,230 | 11,261,057 | 220,575 | 53,522 | 6,428,090 | ........ | 129,171 | 1,662,245 | 16,973,963 | 45,009,353 | 7,588,280 | 34,802 | 4,397,925 | 2,513,729 | ........ | 37,431,643 | ........ | ........ | 5,625,229 | 97,015 | ........ | 40,274 | 3,530,523 | 235,239 | ........ | 146,334,530 |
| Provinciale | 227,197 | ........ | 1,074,283 | 2,774,395 | 266,330 | 47,937 | 3,318,075 | 300,944 | 1,096 | 87,370 | 5,157,268 | 9,357,634 | 11,697,882 | ........ | 2,369,057 | 4,188,645 | ........ | 13,673,677 | ........ | 127,195 | 1,986,011 | 89,533 | 618,019 | 345,365 | 2,093,853 | 181,825 | 100,395 | 60,207,119 |
| Commerce† | 794,592 | 227,853 | 6,602,241 | 44,437,109 | 795,960 | 1,058,561 | 19,907,494 | 447 | 3,670,590 | 16,116,933 | 104,423,329 | 123,267,682 | 10,417,812 | 25,379,720 | 28,290,806 | 16,893,954 | 18,822,604 | 143,555,226 | 22,497,472 | 6,817,457 | 21,404,769 | 3,359,993 | 2,599,945 | 1,559,212 | 14,690,093 | 1,266,879 | 4,315,403 | 661,282,585 |
| Royal‡ | 1,215,430 | 3,068,179 | 8,624,417 | 43,968,036 | 1,274,520 | 21,605,486 | 26,787,014 | 3,851 | 14,946,857 | 28,706,596 | 89,145,311 | 168,815,059 | 10,214,180 | 24,128,426 | 33,477,924 | 14,622,316 | 10,407,727 | 196,639,172 | 107,917,376 | 2,077,071 | 18,296,530 | 2,994,374 | 2,646,556 | 701,447 | 14,975,123 | 1,596,377 | 4,026,686 | 872,675,996 |
| Dominion | 264,318 | 625 | 2,538,190 | 6,934,128 | 346,535 | 79,660 | 8,182,286 | ........ | 312,024 | 1,947,685 | 10,102,027 | 39,058,051 | 4,635,713 | ........ | 3,372,360 | 5,002,944 | 2,405,275 | 44,888,398 | 3,505,105 | ........ | 798,028 | 333,069 | 79,081 | 31,012 | 5,728,030 | 339,300 | 212,605 | 143,609,087 |
| Nationale§ | 575,652 | 447 | 3,329,084 | 6,806,283 | 440,575 | 69,731 | 5,539,407 | 879,997 | 38,076 | 1,141,382 | 7,355,029 | 21,087,528 | 16,198,329 | 227,120 | 9,081,513 | 6,360,862 | 18,430 | 48,105,605 | 27,180 | 1,660,886 | 12,912,715 | 278,282 | 1,580,169 | 508,423 | 5,686,751 | 267,408 | 260,934 | 151,270,108 |
| Imperial | 337,426 | ........ | 4,257,779 | 5,078,423 | 347,590 | 72,350 | 7,747,708 | 617,041 | 375,963 | 1,730,868 | 15,657,299 | 37,905,305 | 5,294,406 | ........ | 505,386 | 5,862,097 | ........ | 53,387,521 | ........ | 6,414,257 | 7,813,005 | 320,777 | 247,785 | 360,577 | 6,033,409 | 314,224 | 147,262 | 161,628,211 |
| Barclay's (Can.) | 2,542 | ........ | 59,160 | 630,042 | 8,630 | 13,214 | 656,837 | 1,601,312 | 3,112,596 | 1,229,430 | 4,179,211 | 6,536,678 | 10,407 | ........ | ........ | 669,870 | ........ | 1,125,920 | ........ | ........ | ........ | 9,679 | ........ | ........ | 450,000 | 17,712 | ........ | 21,722,630 |
| Total | 4,982,341 | 4,638,784 | 46,080,853 | 195,446,590 | 5,448,964 | 28,290,791 | 126,837,801 | 3,403,592 | 36,930,062 | 83,849,391 | 436,888,418 | 719,496,306 | 110,950,858 | 60,583,515 | 134,218,772 | 69,381,551 | 53,210,149 | 785,974,554 | 181,339,505 | 19,498,371 | 115,917,057 | 9,991,660 | 8,336,905 | 4,415,777 | 73,471,985 | 6,144,958 | 13,765,676 | 3,398,538,862 |

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a local incorporated com- in the above return, — Footnote to in the above Return. — Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in above return.—Footnote to Banque Canadienne Nationale return.

▲Total assets include $59,043,563 letters of credit outstanding as shown in liabilities.

# STOCK AND BOND MARKET QUOTATIONS

## Toronto and Montreal Stock Exchange Quotations

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING AUGUST 8

| Range 1938 High | Low | Div Aug 6 R'te $ | Y'ld % | | Sales | Last Aug. 8 | Week end. Aug. 8 H | L | Cl'se |
|---|---|---|---|---|---|---|---|---|---|
| | | | | **A** | | | | | |
| 4.75 | 1.00 | . | ... | Abitibi | 17495 | 3.50 | 3.86 | 3.00 | 3.50 |
| 29 | 8½ | . | ... | Do. pref. 6% | 4252 | 27 | 27¾ | 25½ | 27 |
| 38 | 25 | . | ... | Do. pref. 7% | .... | (31 bid — asked) | | | |
| 26¾ | 9 | . | ... | Do. cert. dep. | .... | (26¾ July 27) | | | |
| *6¾ | 2½ | 30c | ... | Acadia Sugar | .... | (— bid 4½ asked) | | | |
| 7 | 5 | 50c | ... | Acme Glove | .... | (5 bid 7 asked) | | | |
| 82 | 70 | 6.50 | ... | Do. pref. | .... | (— bid 75 asked) | | | |
| 11 | 8½ | 60+20c | 8 | Agnew Surp. | 120 | 10 | 10½ | 10 | 10½ |
| 110 | 104 | 7 | ... | Do. pref. | .... | (103 bid 107 asked) | | | |
| 5½ | 2 | . | ... | Alta. Pac. Gr. | 200 | 5 | 5 | 4½ | 4½ |
| 28½ | 10½ | . | ... | Do. pref. | .... | (26½ bid 29 asked) | | | |
| 127 | 75 | . | ... | Aluminum | 250 | 115 | 127 | 115 | 127 |
| *130 | 118 | 6 | ... | Do. pref. | .... | .. | .. | .. | .. |
| 3 | 2 | . | ... | Amal. Electric. | .... | (2¾ bid 3 asked) | | | |
| 30 | 25 | . | ... | Do. pref. | .... | (25 July 6) | | | |
| 26½ | 23 | 60+$1 | .. | Amer. Cyn. B. | .... | (— bid 25 asked) | | | |
| 83½ | 47 | 2+1 | 3.6 | Asbestos | 1406 | 79½ | 82½ | 80 | 81½ |
| 16 | 11½ | 80+25c | 7 | Assoc. Brew. | 230 | 15½ | 15½ | 15 | 15½ |
| 111½ | 106¾ | 7 | 6.2 | Do. pref. | 40 | 110½ | 111½ | 111½ | 111½ |
| *6½ | 6½ | . | ... | Assoc. T. & T.A. | .... | (— bid 6½ asked) | | | |
| 43½ | 34 | 84c | ... | Do. pref. | .... | (— bid 37½ asked) | | | |
| 101 | 100 | 5.50 | 5.5 | Ault & Wiborg. | .... | (100 bid — asked) | | | |
| | | | | **B** | | | | | |
| 164 | 160 | 8 | 4.9 | Bk. Can. Nat. | 26 | 161 | 162 | 161 | 161 |
| 223 | 195 | 8 | 3.7 | Bk. Montreal | 155 | 215 | 215 | 210 | 213 |
| 305 | 290 | 12 | 3.9 | Bk. N. Scotia | 83 | 302 | 305 | 300 | 304 |
| 249 | 227 | 10 | 4.2 | Bk. Toronto | 62 | 237 | 237 | 235 | 235 |
| 6 | 5 | . | ... | Barcelona | 5 | 5 | 5 | 5 | 5 |
| 9 | 4½ | 96c | ... | Barker's Bread | .... | (5 bid 5½ asked) | | | |
| 40 | 30 | 2.50 | 8.3 | Do. pref. | .... | (— bid 40 asked) | | | |
| 11½ | 6½ | 25c | ... | Bathurst Pr. | 1035 | 10½ | 10½ | 9¾ | 10½ |
| 5 | 2 | . | ... | Do. (B) | 65 | 4¾ | 4½ | 4½ | 4½ |
| 2¾ | 1½ | . | ... | Bawlf Grain | 545 | 2½ | 2¾ | 2½ | 2½ |
| 29 | 15 | . | ... | Do. pref. | 10 | 27 | 29 | 29 | 29 |
| 2 | 2 | . | ... | Beath & Sons | .... | (1¾ bid 3 asked) | | | |
| 15 | 8 | . | ... | Beatty Bros. A | 250 | 10 | 11 | 10¾ | 11 |
| 106 | 90 | 6 | 6.2 | Do. pref. | .... | (100 bid 101½ asked) | | | |
| 105 | 80 | 7 | 7.2 | Do. 2nd pref. | .... | (— bid 99 asked) | | | |
| 5¾ | 2 | . | ... | Beauharnois | 531 | 4½ | 5½ | 4 | 4 |
| *107 | 100 | 4 | 3.8 | Belding Cort. | .... | (— bid 100 asked) | | | |
| 135 | 131½ | 7 | 5.4 | Do. pref. | .... | (— bid 131½ asked) | | | |
| 166½ | 146½ | 8 | 4.8 | Bell Telephone | 559 | 163½ | 164 | 162½ | 164 |
| 11¾ | 8½ | 50+12½c. | 7 | Biltmore Hats. | 185 | 8½ | 8½ | 8½ | 8½ |
| 5 | 3 | . | ... | Blue Ribbon | .... | (3½ bid 4½ asked) | | | |
| 35 | 29 | 2 | 6.4 | Do. pref. | .... | (28½ bid 34 asked) | | | |
| 25 | 21 | 1.30 | 5.4 | Brant. Cord. pf. | .... | (— bid 24¾ asked) | | | |
| 14½ | 7½ | 1 | ... | Brazilian Tr. | 4314 | 13 | 13½ | 12½ | 12½ |
| 7½ | 4¾ | 50+50c | .. | Brew. & Distil. | 51 | 5½ | 5½ | 5 | 5½ |
| 8 | 5½ | 30c | ... | Bright, T. G. | .... | (5½ Apr. 7) | | | |
| 80 | 80 | 6 | 7.5 | Do. pref. | .... | (77 bid — asked) | | | |
| 21¾ | 16¾ | 1 | 4.5 | Brit. Amer. Oil | 2509 | 21¾ | 21¾ | 21¾ | 21¾ |
| 14½ | 9 | . | ... | B. C. Packers | 176 | 12½ | 14½ | 12½ | 14 |
| 34 | 25 | 2 | 6.6 | B. C. Power A. | 261 | 31 | 31½ | 25 | 31 |
| 5½ | 2½ | . | ... | Do. (B) | 25 | 4 | 4 | 4 | 4 |
| 4¾ | 2½ | . | ... | Bruck S. Mills. | 125 | 4 | 4¾ | 3½ | 3½ |
| 60 | 57 | 2+50c | 4.1 | Building Prod. | 375 | 56 | 60 | 56½ | 60 |
| 14½ | 9½ | 60c | 4.6 | Burlington Steel | 5 | 13 | 13 | 13 | 13 |
| 3 | 2 | 25c | ... | Burry Biscuit | .... | (— bid 4 asked) | | | |
| *60 | 30 | 3 | 9.1 | Do. pref. | .... | .. | .. | .. | .. |
| 24 | 16½ | 1.20 | 5.2 | Burt, F. N. | 105 | 21 | 24 | 21½ | 22½ |
| | | | | **C** | | | | | |
| *105 | 100 | . | ... | Calgary Power | .... | (— bid 85 asked) | | | |
| 87½ | 83½ | 6 | 7.1 | Do. pref. | .... | (88 bid — asked) | | | |
| 7 | 2 | . | ... | Canada Bread | .... | (5½ bid 5¾ asked) | | | |
| 92½ | 80 | 5 | 5.4 | Do. pref. | 86 | 90 | 91½ | 91 | 91 |
| 50 | 40 | 2.50+12½c▲ | | Do. pref. B. | 16 | 45 | 50 | 45 | 50 |
| 9 | 5 | 40c | 8 | Canada Bud | 425 | 6 | 5½ | 5 | 5½ |
| 13 | 7 | . | ... | Canada Cement | 2022 | 12 | 11¾ | 11 | 11¾ |
| 110 | 84½ | 5+2▲ | 5.2 | Do. pref. | 95 | 95½ | 95¾ | 95½ | 95½ |
| 85 | 59½ | 1.50+2 | 3 | C. & D. Sugar | 345 | 82½ | 83 | 81½ | 81½ |
| b21½ | 12½ | . | ... | Canada Dry | 10200 | 10½ | 21½ | 19 | 19¾ |
| 17 | 9 | 1.25 | ... | Can. Forg. (A) | 340 | 14 | 16 | 14 | 16 |
| 10 | 7½ | . | ... | Do. (B) | .... | (10 bid 11½ asked) | | | |
| 30 | 30 | . | ... | Can. Iron | .... | (30 Apr. 7) | | | |
| 70 | 70 | 3.50 | ... | Do. pref. | .... | (56½ bid — asked) | | | |
| 36½ | 28 | 1.50+50 | 6 | Can. Malting | 225 | 34 | 33½ | 33 | .. |
| 20 | 17½ | 1.20 | 7 | Can. Nor. Pr. | 185 | 18 | 18 | 17 | 17 |
| 110 | 103 | 7 | 6.4 | Do. pref. | 131 | 107½ | 109 | 108 | 108 |
| 72 | 58 | 3 | 4.2 | Can. Packers | 45 | 71¾ | 71¾ | 71 | 71 |
| *7 | 1¾ | . | ... | Can. Paving, pf. | .... | (— bid 6 asked) | | | |
| 150 | 128 | 8 | 6 | Can. Perman. | 84 | 135 | 135 | 131 | 131 |
| 7 | 6 | 50c | ... | Can. Starch | .... | (7 July 11) | | | |
| 107 | 105 | 7 | 6.7 | Do. pref. | .... | (107 bid — asked) | | | |
| 4¾ | 1½ | . | ... | Can. Steamsh's. | 819 | 4½ | 4½ | 4 | 4 |
| 16¾ | 6½ | 50c● | .. | Do. pref. | 310 | 16 | 16 | 15 | 15 |
| 17½ | 13 | 1.20 | 7 | Can. Vinegars | 55 | 11 | 17 | 16½ | 16½ |
| 67 | 47 | . | ... | Can. W. Cable. | 35 | 48 | 50 | 50 | 50 |
| 22 | 15 | . | ... | Do. (B) | 60 | 18 | 17 | 16½ | 16½ |
| 97 | 97 | 6.50+10▲ | | Do. pref. | .... | (95½ bid — asked) | | | |
| 3 | 1½ | . | ... | Can. Bakeries | .... | (1½ July 25) | | | |
| 30 | 25 | . | ... | Do. pref. | 30 | 28 | 29 | 29 | 29 |
| 178 | 157 | 8 | 4.5 | Can. Bk. Com. | 134 | 175 | 177 | 174 | 175½ |
| 2.50 | 1.10 | . | ... | Can. Breweries | 1300 | 1.85 | 2.00 | 1.80 | 1.90 |
| 32 | 14 | 2 | 9.6 | Do. pref. | 828 | 20½ | 21 | 20 | 20¾ |
| 41 | 28½ | 1.50+50c | 4.8 | Can. Bronze | 210 | 39½ | 41 | 40½ | 41 |
| 106 | 102¾ | 5 | 4.8 | Do. pref. | 2 | 105½ | 102¾ | 102¾ | 102¾ |
| 6 | 4 | . | ... | Can. Canners | .... | (5½ bid 6 asked) | | | |
| 19 | 15½ | 1 | 5.4 | Do. 1st pfd. | 215 | 18½ | 18½ | 18 | 18½ |
| 9 | 6½ | 60c | 6.8 | Do. 2nd pfd. | 75 | 8¾ | 8¾ | 8½ | 8¾ |
| 18½ | 7½ | . | ... | Can. Car & Fd'y | 10651 | 18 | 18½ | 15¾ | 16¾ |
| 30 | 18½ | 1.75 | 5.8 | Do. pref. | 1245 | 29¾ | 30 | 29½ | 29¾ |
| 20 | 9 | . | ... | Can. Celanese | 290 | 13¾ | 15 | 14 | 14 |
| 107 | 90 | 7 | 7.2 | Do. pref. | 85 | 95 | 96 | 96 | 96 |
| 20 | 15 | 1 | ... | Do. Rights | 200 | 18 | 17 | 17 | 17 |
| 10½ | 6 | . | ... | Can. Convert. | 5 | 9½ | 9 | 9 | 9 |
| 76 | 63 | 4 | 5.8 | Can. Cottons | .... | (66 bid 71 asked) | | | |
| 108 | 100 | 6 | 5.7 | Do. pref. | .... | (— bid 104 asked) | | | |
| 35 | 21 | . | ... | Can. Dredge | 45 | 22 | 22 | 22 | 22 |
| 102 | 100 | 6 | 6 | Can. Fairb. pf. | .... | (105 bid — asked) | | | |
| 19 | 10 | 1.60 | 10.6 | Can. For. Inv. | 115 | 15 | 15½ | 14½ | 14½ |
| 105 | 100 | 8 | 8 | Do. pref. | 10 | 100 | 100 | 100 | 100 |
| 194 | 175 | 6 | 3.1 | Can. Gen. Elec. | .... | (185 bid 199 asked) | | | |
| 8½ | 7½ | 50c | 6.1 | Can. G. Inv. | 60 | 8½ | 8½ | 8½ | 8½ |
| 4¾ | 2½ | . | ... | Can. Ind. Alc. | 680 | 3¾ | 3¾ | 3 | 3 |
| 4 | 1½ | . | ... | Do. (B) | 910 | 3½ | 3 | 2¾ | 2¾ |
| 209 | 178 | 3.25 | ... | Can. Indust. B. | .... | (— bid 212 asked) | | | |
| 165 | 155 | 7 | 4.2 | Do. pref. | .... | (165 July 27) | | | |
| 1 | 1 | . | ... | Can. Int. I. Tr. | .... | (— bid 1 asked) | | | |
| *90 | 70 | 5 | ... | Do. pref. | .... | (— bid 80½ asked) | | | |
| 15½ | 13 | 1 | 7.7 | Can. Lt. & Pr. | .... | (13 bid 20 asked) | | | |
| 10½ | 5½ | . | ... | Can. Locomo. | 5 | 8½ | 10 | 10 | 10 |
| 1.65 | .90 | . | ... | Can. Marconi | 4050 | 1.65 | 1.55 | 1.40 | 1.45 |
| 16 | 10 | 50+12½c | .. | Can. Oil | 525 | 11½ | 12¾ | 11 | 12¾ |
| 123 | 110 | 8 | 6.5 | Do. pref. | 10 | 122 | 123 | 123 | 123 |
| 8½ | 5 | . | ... | Can. Pacific | 13133 | 7½ | 7½ | 6¾ | 6¾ |
| 2.50 | .50 | . | ... | C. Pr. & Pa. In. | .... | 1.25 bid 1.75 asked | | | |
| 10 | 5 | . | ... | Do. pref. | 5 | 8½ | 8½ | 8½ | 8½ |
| 11½ | 3 | . | ... | Can. Vickers | 645 | 11 | 10¾ | 9¾ | 9¾ |
| 45 | 15 | . | ... | Do. pref. | 85 | 41 | 40 | 38½ | 40 |
| 10 | 8 | 1 | 10 | C. Wallpaper A. | .... | (14 bid 20 asked) | | | |
| 12 | 12 | 1 | 8.3 | Do. (B) | .... | (12½ bid 19 asked) | | | |
| 51½ | 50 | 2 | 4 | Can. West'ho'se | .... | (51½ bid — asked) | | | |
| 3.50 | 1.95 | 15c | ... | Can. Wineries. | 25 | 2.37 | 3.00 | 3.00 | 3.00 |
| 21 | 17 | 1.50 | 7.9 | Can. Wire Box | .... | (18½ bid 19 asked) | | | |
| 3.15 | 1.75 | . | ... | Capital Estates | 166 | 1.95 | 1.90 | 1.90 | 1.90 |
| 104½ | 98½ | 5 | 4.9 | Carnation, pfd. | .... | 101½ bid 104½ asked | | | |
| 6½ | 3 | †25c | ... | Catelli Food | 5 | 4 | 4 | 4 | 4 |
| 10 | 7 | 75c | ... | Do. pref. | .... | (— bid 10 asked) | | | |
| 2 | 1¾ | . | ... | Celtic Knit. | .... | (1¾ May 23) | | | |
| 170 | 170 | 8 | 4.7 | Cent. Can. L'n. | .... | (— bid 175 asked) | | | |
| 100 | 99 | 4 | 4 | Chartered Trust | .... | (95 bid 105 asked) | | | |
| .60 | .25 | . | ... | Chem. Research | 1800 | .50 | .55 | .53 | .55 |
| .70 | .25 | . | ... | City Gas & El. | .... | (.40 bid .45 asked) | | | |
| .35 | .15 | . | ... | Claude Neon | 100 | .20 | .15 | .15 | .15 |
| 1.35 | 1.17 | 12c | 8.8 | Coast Brew. | 700 | 1.30 | 1.35 | 1.34 | 1.35 |
| 13½ | 6¾ | . | ... | Cockshutt Plow | 1990 | 12½ | 12½ | 11¾ | 12 |
| 1.85 | .90 | . | ... | Comm. Alcohol | 25 | 1.50 | 1.25 | 1.25 | 1.25 |
| 4½ | 4 | 40c | 9.4 | Do. pref. | .... | (4½ Aug. 1) | | | |
| 5 | 4½ | 10c | ... | Conduits Nat. | .... | (4 bid 4½ asked) | | | |
| 16 | 11½ | 1 | 6.6 | Cons. Bakeries. | 205 | 16 | 16 | 15½ | 15½ |
| 9½ | 3½ | . | ... | Cons. Paper | 10421 | 7¾ | 8¾ | 7¾ | 8½ |
| 15 | 10 | 1 | 8.5 | Cons. Press | .... | (10 bid 11¾ asked) | | | |
| 80 | 70 | 3.50 | ... | Cons. Sand, pf. | .... | (76½ bid 90 asked) | | | |
| 64½ | 46½ | 50c+50c | | Cons. Smelters. | 1447 | 60 | 61 | 59 | 60½ |
| 199¾ | 176 | 10 | 5.5 | Consumers' Gas | 177 | 180 | 180 | 178 | 178 |
| 82 | 68 | 7 | 9.3 | Corr. P. Box, p. | .... | (65 bid 74 asked) | | | |
| 24 | 16 | 1+25c | 5.4 | Cosmos Imp. | 126 | 22 | 24 | 22 | 23 |
| 105 | 101½ | 5 | 4.8 | Do. pref. | .... | (102½ bid — asked) | | | |
| 20 | 16½ | 1 | 5.4 | Crown Cork | 35 | 19½ | 19½ | 18½ | 18½ |
| 2 | 2 | . | ... | Crown Dom. Oil | .... | (1½ bid 2 asked) | | | |
| 39 | 29 | 4.50 | ... | Crow's N. Coal | 255 | 32¾ | 32½ | 31½ | 32 |
| | | | | **D** | | | | | |
| 6½ | 3 | 25c | ... | David & Fre. A | 20 | 6½ | 6½ | 6½ | 6½ |
| *.50 | .50 | . | ... | Do. (B) | .... | (.50 bid 1.00 asked) | | | |
| 14½ | 5 | . | ... | De Havilland | 80 | 14½ | 13 | 12 | 12 |
| 71 | 65 | . | ... | Do. pref. | 5 | 66 | 66 | 66 | 66 |
| *10 | 2¾ | . | ... | Disher Steel | .... | (2¾ bid 4½ asked) | | | |
| *18¾ | 15½ | 50c | ... | Do. pref. | .... | (8 bid 16½ asked) | | | |
| 17½ | 11 | 1 | ... | Distill-Seagram | 3135 | 16¾ | 17½ | 16¾ | 16¾ |
| 76¾ | 66½ | 5 | 6.6 | Do. pref. | 190 | 76½ | 76¾ | 75 | 75½ |
| .. | .. | . | ... | Dom. Ang. Inv. | .... | (— bid 90 asked) | | | |
| *95 | 95 | 5 | ... | Do. pref. | .... | (70 bid — asked) | | | |
| 206 | 189 | 10 | 4.9 | Dom. Bank | 15 | 203 | 205 | 203 | 203 |
| 39 | 21 | 1.20 | 3.2 | Dom. Bridge | 635 | 37¾ | 37½ | 36 | 37 |
| 20 | 16 | 1.50 | 8 | Dom. Coal, pf. | 700 | 18¾ | 18½ | 18 | 18½ |
| 48½ | 21 | 50c | ... | Dom. Engineer. | 30 | 45½ | 45 | 45 | 45 |
| 44 | 29 | 90c | ... | Dom. Foundries | 1557 | 39 | 43½ | 38 | 42¾ |
| .. | .. | 6 | 5.9 | Do. pref. | .... | (102 June 22) | | | |
| 110 | 96¾ | 5 | 5 | Dom. Glass | 85 | 100 | 100 | 99½ | 99½ |
| 150 | 144 | 7 | 5 | Do. pref. | .... | (— bid 150 asked) | | | |
| *43½ | 33½ | . | ... | Dom. Oilcloth | .... | (32 bid 36 asked) | | | |
| 2 | 1 | . | ... | Dom. Scot. Inv. | .... | (¾ bid 1 asked) | | | |
| 33 | 29 | 1.50 | ... | Do. pref. | 180 | 30 | 30 | 30 | 30 |
| 16¾ | 9 | . | ... | Dom. St. & C.B. | 11574 | 15 | 15½ | 14½ | 14¾ |
| 8¾ | 4¾ | . | ... | Dom. Stores | 550 | 6 | 6½ | 5½ | 5½ |
| 10 | 4¾ | . | ... | Dom. Tar & Ch. | 1665 | 7¾ | 8½ | 8 | 8 |
| 85 | 71 | 5.50 | 6.7 | Do. pref. | 175 | 81 | 82½ | 82 | 82 |
| 70 | 58 | 5 | 7.5 | Dom. Textile | 58 | 64½ | 66½ | 64 | 66½ |
| 150 | 143½ | 7 | 4.8 | Do. pref. | 3 | 144 | 144 | 144 | 144 |
| 8½ | 3½ | . | ... | Donnacona P.A. | 440 | 7½ | 7¾ | 7½ | 7¾ |
| 7¾ | 3 | . | ... | Do. (B) | 200 | 7 | 6¾ | 6½ | 6¾ |
| 8½ | 4 | . | ... | Dryden Paper | 50 | 8 | 7¾ | 7½ | 7½ |
| | | | | **E** | | | | | |
| 1½ | 1 | . | ... | East Koot. Pr. | .... | (— bid 1½ asked) | | | |
| 12 | 8½ | . | ... | Do. pref. | 25 | 10 | 10 | 10 | 10 |
| 1.35 | .55 | . | ... | East. Dairies | 4 | .95 | .75 | .75 | .75 |
| 8 | 3½ | . | ... | Do. pref. | .... | (7 bid 8 asked) | | | |
| 17 | 12 | 1 | 6.5 | East. Steel | .... | (15½ bid 17¾ asked) | | | |
| 105 | 99 | 7 | 6.9 | Do. pref. | .... | (102 bid — asked) | | | |
| 54 | 54 | 7 | 12.9 | East. Theat. pf. | .... | (60 bid 84 asked) | | | |
| 5 | 2¾ | . | ... | Easy Washing | .... | (3½ bid 5 asked) | | | |
| 33 | 26½ | 1.37½ | ... | Economic Inv. | .... | (— bid 28 asked) | | | |
| 17 | 11¾ | 1.60+60c. | | Electrolux | 85 | 16½ | 15¾ | 15 | 15½ |
| 3½ | 1½ | . | ... | Enam. & Heat. | .... | (3 bid 3¾ asked) | | | |
| 35 | 24 | 2.50 | 7.5 | English Electric | 125 | 33 | 33 | 31½ | 33 |
| 16 | 5 | . | ... | Do. (B) | 150 | 11 | 10¾ | 10½ | 10½ |
| 6 | 5½ | . | ... | Equitable Life. | 140 | 6½ | 6½ | 6½ | 6½ |
| 8 | 6 | 60c | ... | European El. A. | .... | (— bid 8½ asked) | | | |
| | .01 | . | ... | Do. Warrants | .... | (.01 bid — asked) | | | |
| | | | | **F** | | | | | |
| | 3 | . | ... | Fairchild Air. | 5850 | 8½ | 8½ | 7 | 7 |
| 24½ | 20 | 60c | 2.5 | Fam. Players | .... | (— bid 22 asked) | | | |
| 24½ | 19½ | 60c | 3.1 | Do. Vot. Tr. | .... | (— bid 23 asked) | | | |
| 22 | 16 | 1+75c | 9.2 | Fanny Farmer. | 590 | 19½ | 20 | 19 | 20 |
| 14½ | 4½ | . | ... | Fleet Aircraft | 1680 | 13½ | 13¾ | 12 | 12½ |
| 5 | 3 | . | ... | Fleury Bissell | .... | (4 bid — asked) | | | |
| 43 | 30 | 2.50 | .. | Do. pref. | 5 | 40 | 40 | 40 | 40 |
| 20½ | 14¾ | 1 | 5 | Ford Motor A. | 3060 | 19¾ | 20½ | 19 | 19¾ |
| .50 | .40 | . | ... | For. Pr. Secs. | .... | (.40 bid .50 asked) | | | |
| 16 | 8¾ | 50c† | .. | Foundation Co. | 50 | 14¾ | 14 | 14 | 14 |
| 20 | 9 | . | ... | Fraser Cos. | 250 | 19 | 20 | 18½ | 18½ |
| 21½ | 10 | . | ... | Do. Vot. Tr. | 980 | 19 | 20 | 18½ | 19½ |
| 40 | 37 | . | ... | Freiman, pf. | .... | (37 bid — asked) | | | |
| | | | | **G** | | | | | |
| 13¾ | 6½ | 30c● | .. | Gatineau Pwr. | 5159 | 11½ | 13¾ | 11½ | 13½ |
| 86½ | 83 | 5 | 5.8 | Do. pref. | 1110 | 84 | 84½ | 83½ | 84½ |
| 5½ | 3 | . | ... | Do. Rights | 75 | 5 | 5½ | 5 | 5½ |
| 10½ | 5 | . | ... | Gen. St. Wares. | 1600 | 9 | 9½ | 8¾ | 9 |
| 80 | 45 | . | ... | Do. pref. | 115 | 73 | 75 | 73 | 75 |
| 72¾ | 52 | 2.50 | 3.8 | Goodyear Tire. | 15 | 62 | 66 | 65 | 65 |
| 59 | 51 | 2.50 | 4.4 | Do. pref. | 135 | 56 | 56 | 55 | 56 |
| 13 | 4¾ | . | ... | Gt. Lakes Pap. | 519 | 9½ | 10 | 9½ | 10 |
| 33 | 16 | . | ... | Do. pref. | 367 | 23½ | 24½ | 23½ | 24½ |
| 2¾ | 1½ | . | ... | Gt. W. Saddlery | .... | (1½ bid 2 asked) | | | |
| 25 | 20 | 75c | ... | Do. pref. | 5 | 20 | 20 | 20 | 20 |
| 12 | 10 | 60c | 5.4 | Greening Wire. | .... | (10½ bid 12 asked) | | | |
| 10 | 10 | 1 | ... | Growers' Wine. | .... | (13 bid 13¾ asked) | | | |
| 8½ | 5 | †30c | ... | Gurd, Chas. | 25 | 7½ | 7½ | 7½ | 7½ |
| 106 | 102 | 7 | 6.6 | Do. pref. | .... | (— bid 106 asked) | | | |
| 8¾ | 4 | . | ... | Gypsum, Lime. | 1585 | 7 | 7½ | 7 | 7½ |
| | | | | **H** | | | | | |
| 9½ | 5 | . | ... | Ham. Bridge | 75 | 9 | 9 | 8½ | 8½ |
| 53 | 32 | . | ... | Do. pref. | .... | (41 bid — asked) | | | |
| 34 | 27 | 2+50▲ | 6 | Ham. Cot., pf. | .... | (30 bid 32 asked) | | | |
| 1½ | ¾ | . | ... | Ham. U. Theat. | .... | (¾ bid 1½ asked) | | | |
| 55 | 50 | 6 | 12 | Do. pref. | .... | (50 bid 60 asked) | | | |
| 4 | 2½ | 20c | 6.2 | Harding Carpet | 70 | 3½ | 3½ | 3½ | 3½ |
| *5 | 2½ | . | ... | Hillcrest Coll. | .... | (— bid 2½ asked) | | | |
| *25 | 12 | . | ... | Do. pref. | .... | (— bid 25 asked) | | | |
| 17½ | 13¾ | 1 | 6.2 | Hinde & Dauch | 145 | 16½ | 16½ | 16 | 16 |
| 20 | 20 | . | ... | Holt Renfrew | .... | (14 bid — asked) | | | |
| 50 | 50 | . | ... | Do. pref. | .... | (— bid 50 asked) | | | |
| .60 | .30 | . | ... | Honey Dew | 45 | .45 | .45 | .45 | .45 |
| 14 | 8 | . | ... | Do. pref. | .... | (8 bid 12 asked) | | | |
| 18 | 10 | . | ... | H. Smith Pap. | 320 | 17 | 17½ | 17 | 17½ |
| 98 | 90 | 6 | 6.2 | Do. pref. | .... | (96½ bid — asked) | | | |
| 25 | 12 | 2 | 11.1 | Humberstone S. | .... | (16 bid 22 asked) | | | |
| 12 | 5 | . | ... | Hunts (A) | .... | (5 bid 7 asked) | | | |
| 10 | 8½ | . | ... | Do. (B) | .... | (5 bid 6 asked) | | | |
| 72 | 57 | 4 | 5.5 | Huron & E. Mt. | 10 | 69 | 72 | 72 | 72 |
| 8½ | 6½ | 80c | ... | Do. 20% pd. | 5 | 8 | 8 | 8 | 8 |
| 3½ | 3½ | 20c | ... | Hydro El. Secs. | .... | (4½ bid 6 asked) | | | |
| | | | | **I** | | | | | |
| 214 | 190 | 10 | 4.9 | Imperial Bank. | 15 | 205 | 208 | 204 | 207 |
| 19¾ | 15 | 50+75c | 7.3 | Imperial Oil | 7122 | 17½ | 17½ | 17 | 17 |
| 15¾ | 13½ | 40+22½c | . | Imperial Tob. | 4771 | 15½ | 15½ | 15½ | 15½ |
| 8 | 6½ | 6% | ... | Do. pref. | 2 | 7½ | 7½ | 7½ | 7½ |
| 30 | 23 | 2 | 6.6 | Indust. Accept. | 1050 | 29½ | 30 | 29½ | 30 |
| 23 | 20 | 1.25 | ... | Inter-City Bak. | .... | (19½ bid 20 asked) | | | |
| 43 | 40 | 6+2 | ... | Inter'c Coal | .... | (20 bid — asked) | | | |
| 126 | 120 | 8 | 6.3 | Do. pref. | 2 | 126 | 125 | 125 | 125 |
| 23 | 22½ | 1.50 | 6.5 | Inter. Bronze | .... | (23 July 29) | | | |
| 27 | 23½ | 1.50 | 6.1 | Do. pref. | 25 | 25 | 24½ | 24½ | 24½ |
| .20 | .20 | 1½c† | ... | Int. Coal & C. | .... | (.20 bid — asked) | | | |
| b7¾ | 3½ | . | ... | Int. Hyd. E. A. | 3800 | 6¾ | 7 | 6½ | 6¾ |
| 9½ | 4½ | . | ... | Int. Metal Ind. | 485 | 8 | 8½ | 8 | 8 |
| 81 | 60 | 6 | 7.5 | Do. pref. | 93 | 70 | 79 | 79 | 79 |
| 70 | 70 | 6 | 8.6 | Do. pref. (A) | .... | (— bid 80 asked) | | | |
| 102½ | 98½ | 5 | 4.9 | Int. Mill., pf. | 20 | 101 | 101½ | 101 | 101 |
| 52¾ | 37 | 2+25c | 4.8 | Int. Nickel | 10401 | 50 | 52½ | 49½ | 51½ |
| 4¾ | 1¾ | . | ... | Int. Paints | .... | (3 bid 4 asked) | | | |
| 15 | 11 | 1+25c▲ | . | Do. pref. | 15 | 14 | 14 | 14 | 14 |
| b11¾ | 4½ | . | ... | Int. Pap. & P. | 129000 | 10 | 10¾ | 9¾ | 10½ |
| b47¾ | 18¾ | . | ... | Do. pref. | 7600 | 41½ | 45½ | 41½ | 43 |
| 31½ | 23 | 1.50+1 | 9.4 | Int. Pete. | 3324 | 26½ | 26½ | 26 | 26½ |
| 5¾ | 2 | . | ... | Int. Power | 70 | 5¾ | 5¾ | 5½ | 5¾ |
| 84 | 71 | 6 | 7.5 | Do. pref. | 7 | 78 | 80 | 78 | 80 |
| 11½ | 10½ | 1.12 | 9.7 | Int. St. Rlty. A. | .... | (— bid 11½ asked) | | | |
| 3¾ | 3¾ | . | ... | Do. (B) | .... | (3¾ bid 4 asked) | | | |
| 9¾ | 5 | . | ... | Int. Util. (A) | .... | (8 bid 9¾ asked) | | | |
| 1.00 | .50 | . | ... | Do. (B) | 1625 | .80 | .90 | .75 | .90 |
| | | | | **J, K, L** | | | | | |
| 36 | 32 | 1.75 | 4.8 | Jam. Pub. Ser. | 123 | 33 | 36 | 35 | 36 |
| .. | .. | 7 | 5.5 | Do. pref. | .... | (— bid 128 asked) | | | |
| 15 | 10 | 1 | ... | Kelvinator | 40 | 15 | 15 | 13 | 15 |
| 34 | 13 | . | ... | L. St. John Pr. | .... | (28 bid 33 asked) | | | |
| 13 | 2 | . | ... | Lake Sulphite | 925 | 4½ | 4½ | 3¾ | 3¾ |

## Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Aug. 9, 1938

| Public Utility Issues: | Int. Rate % | Due | Bid Aug. 9 | Asked | Bid Aug. 2 |
|---|---|---|---|---|---|
| †Assoc. Tel. & T. | 5½ | '55 | 78 | 79 | 75½ |
| Beauharnois P. | 5 | '73 | 95½ | 98½ | 95 |
| ‡Bell Tel. | 5 | '55 | ... | ... | ... |
| ‡Do. | 5 | '57 | ... | ... | ... |
| B. C. Power | 4½ | '60 | 99½ | 102½ | 99½ |
| B. C. Tel. | 4½ | '61 | 105½ | 106½ | 105½ |
| †Calgary Pwr. | 5 | '60 | 98 | 101 | 97 |
| Do. | 5 | '64 | 97½ | 100½ | 96½ |
| †Can. Nor. Pwr. | 5 | '53 | 103 | 106 | 103½ |
| ‡Dom. Gas & El. | 6½ | '45 | 87 | 90 | 85½ |
| ‡Gatineau Pwr. | 5 | '56 | 104 | 107 | 104 |
| ‡Do. | 5 | '49 | 101½ | 104½ | ... |
| Gt. Lakes Pwr. | 4½ | '56 | 96 | 99 | 95 |
| ‡Int. Hydro-E. | 6 | '44 | 78 | 81 | 74 |
| ▲Inter. Power | 6 | '55 | 100½ | 103½ | 100½ |
| †Macl'n-Que. Pr. | 5½ | '61 | 103 | 106 | 103½ |
| Do. | 5½ | '64 | 103 | 106 | 103 |
| Mtl. L., H. & P. | 3½ | '56 | 102 | 105 | 102 |
| Do. | 3½ | '73 | 96½ | 99½ | 97 |
| †Mtl. Tramways | 5 | '41 | 99½ | 102 | 99 |
| †Do. | 5 | '55 | 74½ | 77½ | 75 |
| Nat. Lt. & Pwr. | 6 | '49 | 94 | 97 | 94 |
| N. S. Lt. & Pr. | 4 | '57 | 98 | 101 | 98 |
| ‡Ottawa Light, Heat & Pwr. | 5 | '57 | 103½ | 105½ | ... |
| †Ottawa V. Pwr. | 5½ | '70 | 105½ | 108½ | 105½ |
| †Power Corp. | 4½ | '59 | 100½ | 103½ | 101 |
| Quebec Power | 4 | '62 | 96½ | 99½ | 96½ |
| §Saguenay P., A | 4½ | '66 | 103½ | 106½ | 103 |
| Do., B | 4½ | '66 | 103½ | 106½ | 103½ |
| Shaw. W. & Pr. | 4 | '61 | 99½ | 102½ | 99½ |
| Union Gas | 4½ | '50 | 101 | 104 | 100 |
| Wpg. El. Ser. A | 4 | '65 | 64½ | 67½ | 64½ |
| **Industrial and Realty Issues:** | | | | | |
| †Abitibi P. & P. | 5 | '53 | 67½ | 70½ | 67½ |
| Acadia Sugar | 4½ | '55 | 101 | 104 | 101 |
| †Alta. Pa. Grain | 6 | '46 | 87 | 90 | 87 |
| Atlantic Sugar. | 4 | '51 | 99 | 102 | 99 |
| B. A. Oil | 4 | '45 | 103½ | 106½ | 103½ |
| †B. C. P. & Pap. | 6 | '50 | 85 | 88 | 84½ |
| §Brown Co. | 5½ | '46 | 57½ | 60½ | 58 |
| †Burns & Co. | 5 | '58 | 60½ | 64½ | 62½ |
| Canada Bread | 6 | '41 | 107½ | 110½ | 107½ |
| Canada Cement | 4½ | '51 | 103½ | 106½ | 103 |
| Can. Paper | 4½ | '52 | 98½ | 101½ | 98½ |
| Can. Steamship | 5 | '57 | 82½ | 85½ | 84 |
| Candn. Canners | 4 | '51 | 100 | ... | 100 |
| ‡Can. Int. Paper | 6 | '49 | 96½ | 99½ | 96½ |
| ‡Candn. Vickers | 6 | '47 | 99½ | 102½ | 99 |
| C. P. R. | 3½ | '51 | 86 | 89 | 86 |
| Do. | 4 | '49 | 90 | 93 | 90½ |
| Do. | 4½ | '44 | 94 | 97 | 94 |
| Do. | 6 | '42 | 103 | 106 | 103 |
| Do., debs. | 4 | perp. | 80 | 83 | 80½ |
| †Consol. Paper | 5½ | '61 | 52 | 55 | 51 |
| Dom. Coal | 4½ | '52 | 102 | 105 | 102 |
| ▲Dom. Stl. & C. | 6½ | '55 | 106 | 109 | 105½ |
| Dom. Tar | 4½ | '51 | 100 | 103 | 100 |
| †Donnacona P. | 4½ | '56 | 76 | 79 | 75½ |
| Famous Players | 4½ | '51 | 98 | 101 | 98 |
| †Federal Grain | 6 | '49 | 93 | 96 | 93½ |
| †Fraser Cos. | 6 | '50 | 98½ | 101½ | 98 |
| Gen. Stl. Wares | 4½ | '52 | 94 | 97 | 93½ |
| ‡Great Lakes P. | 5 | '55 | 90 | 93 | 90 |
| †Gypsum, Lime. | 5½ | '48 | 97½ | 100½ | 98 |
| Ham. By-Pr. C. | 5 | '55 | 99 | 102 | 99½ |
| Inter-City Bak. | 5½ | '48 | 103 | 106 | 103 |
| ‡Inter. P. & P. Nfld. | 4½ | '68 | 100 | 103 | 100 |
| Lake St. John P. & P. | 5½ | '61 | 89 | 92 | 91 |
| Maple Leaf M. | 5½ | '49 | 49 | 52 | 50 |
| †Massey-Harris. | 5 | '47 | 99½ | 102½ | 99 |
| †McColl-Fron. | 6 | '49 | 103½ | 105½ | ... |
| McCormick's | 4 | '52 | 83 | 86 | 80½ |
| ‡M. & O. Paper | 6 | '45 | 39 | 42 | 40 |
| Nat. Grocers | 4 | '47 | 100 | 103 | 100 |
| †N. S. Stl. & C. | 5 | '59 | 97 | 100 | 98 |
| †Do., debs. | 6 | .. | 43½ | 46½ | 43½ |
| Price Bros. | 5 | '57 | 97 | 100 | 97 |
| ‡Prov. Paper | 5½ | '47 | 101½ | 104½ | 101½ |
| Reliance Grain | 4½ | '52 | 93 | 96 | 93½ |
| †Restigouche Co. | 6 | '48 | 96½ | 99½ | 96½ |
| Rolland Paper. | 4½ | '51 | 102½ | 105½ | 102½ |
| Simpsons Ltd. | 4½ | '51 | 98 | 101 | 98 |
| Smith, Howard | 4½ | '51 | 103½ | 106½ | 103 |
| †Steel of Can. | 6 | '40 | 108½ | 111½ | 109 |
| ‡United Gas | 5½ | '48 | 103 | 106 | 103 |
| United Gr. Grs. | 5 | '48 | 93½ | 96½ | 93½ |
| †West. Grain | 6 | '49 | 47½ | 50½ | 49 |

‡Payable in Can. or U.S.
†Payable in Can., U.S. or U.K.
▲Payable in Can. or U.K.
§Payable in U.S. only.

## Municipal Bonds

Aug. 9, 1938

| | Rate | Due | Bid | Ask. | Yld. |
|---|---|---|---|---|---|
| †Halifax | 5 | 1961 | 110.00 | 111.00 | 4.24 |
| Hamilton | 5 | 1950 | 111.50 | 113.00 | 3.65 |
| Montreal | 5 | 1945 | 103.00 | 103.75 | 4.34 |
| Ottawa | 4½ | 1945 | 108.80 | 110.30 | 2.85 |
| †Quebec | 5 | 1959 | 105.25 | 106.25 | 4.53 |
| Saint John | 5 | 1950 | 106.00 | 107.00 | 4.27 |
| †Toronto | 4½ | 1955 | 113.25 | 115.25 | 3.30 |
| †Vancouver. | 5 | 1950 | 84.00 | 87.00 | 6.63 |
| Winnipeg | 5 | 1944 | 96.00 | 100.00 | 5.00 |

†Payable Can. and N. Y.

## Stock Sales

| | Montreal Markets Indust. | Montreal Markets Mines | Toronto Markets Ind. & Mines |
|---|---|---|---|
| Aug. 9 | 18,500 | 89,400 | 566,000 |
| Aug. 8 | 17,900 | 39,800 | 477,000 |
| Aug. 6 | 15,600 | 41,200 | 312,000 |
| Aug. 5 | 21,600 | 52,800 | 735,000 |
| Aug. 4 | 27,100 | 66,200 | 987,000 |
| Aug. 3 | 27,800 | 97,200 | 1,064,000 |

## Investment Trusts

| | Bid | Asked |
|---|---|---|
| Can. Amer. Trust A | 3.50 | 3.90 |
| Can. Inv. Fund | 3.95 | 4.30 |
| All Can. Trustee | 12.35 | 13.00 |
| Trans-Canada | 12.90 | .... |
| Grouped Income | 4.90 | 5.45 |
| Can. Int. Tr., modified | 4.75 | 5.00 |
| Do., unmodified | 4.25 | 5.00 |

## Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Aug. 9, 1938

| | Bid | Asked |
|---|---|---|
| **Industrial Stocks:** | | |
| Acadia Sugar, com. | 3.20 | 3.40 |
| Do., pfd. | 4.50 | 4.90 |
| Acme Farmers, pfd. | 15.00 | 20.00 |
| Algoma Steel, com. | 12.75 | 13.50 |
| Do., pfd. | 63.00 | 66.00 |
| Andian Nat. Corp. | 41.00 | 42.50 |
| Anglo Can. Tel., A | 8.40 | 9.00 |
| Barrymore Cloth, pfd. | 25.00 | 28.00 |
| B. C. Pulp & Paper, com. | *17.00 | 18.00 |
| Do., pfd. | *55.00 | .... |
| B. C. Sugar | 83.00 | 86.00 |
| Burns & Co., A | 5.00 | 6.50 |
| Do., B | 2.65 | 3.30 |
| Canada Starch, pfd. | 107.00 | .... |
| Can. Wire & Cable, pfd. | 97.00 | 98.50 |
| Can. Airways | 1.25 | 2.15 |
| Can. Industries, A com. | 217.50 | 222.00 |
| Do., B com. | 211.50 | 213.50 |
| Do., 7% pfd. | 167.50 | 180.00 |
| Can. Ingersoll Rand | 126.00 | 132.00 |
| Can. Tube & Steel, com. | 2.75 | 3.00 |
| Do., 1st pfd. | 65.00 | 68.00 |
| Can. Westinghouse | 51.50 | 53.50 |
| Chase, A. W., pfd. bonus | 26.00 | 27.50 |
| Claude Neon, pfd. | 5.50 | 6.50 |
| Cons. Sales Book, pfd. bon. | 80.00 | .... |
| Copeland Flour Units | 5.00 | 7.00 |
| Corrugated Paper Box, com. | 1.50 | 2.75 |
| Do., rts. | 10.00 | 11.75 |
| Cub Aircraft, com. | 4.00 | 4.25 |
| Dom. Manufacturers, pfd. | 60.00 | .... |
| Dominion Woollens, pfd. | 1.00 | 1.30 |
| Dunlop Tire, pfd. par $25 | 19.00 | 20.00 |
| Federal Grain, com. | 2.40 | 2.85 |
| Do., pfd. | 33.00 | 35.00 |
| Goderich Elevator | 6.50 | 7.25 |
| Guelph Carpet, pfd. | 103.00 | 105.00 |
| Do., com. | 18.50 | 20.00 |
| Hayes Steel Prod., com. | 6.00 | 7.00 |
| Do., pfd. | 7.50 | 8.50 |
| Highland Dairy, pfd. | 40.50 | 48.00 |
| Home & Indust. Bldg. Prod. | .... | 3.15 |
| Kingston Shipbuild. Units. | 9.00 | 10.50 |
| Loblaw Inc., pfd. bonus | 72.50 | 76.00 |
| Maritime Tel., com. | 15.50 | 16.50 |
| Do., 7% pfd. | 16.50 | 17.50 |
| Morrison Brass, pfd. bonus | 6.00 | 8.00 |
| Morrow Screw, pfd. bonus. | 95.00 | 90.00 |
| Mount Royal Hotel, pfd. | 3.25 | 4.00 |
| Neilson, Wm., pfd. | 98.00 | .... |
| New Brunswick Tel., com. | 12.00 | 13.00 |
| New Method Laund., pfd. bonus | 55.50 | 60.00 |
| Niag. Lower Arch Bridge, com. | 69.00 | .... |
| Paterson, Wm., pref. | 101.00 | .... |
| Provincial Paper, pfd. | 100.00 | 102.00 |
| Reliance Grain, pfd. | 55.00 | 59.00 |
| Robinson Consol. Cone | 8.70 | 9.25 |
| Ruddy, E. L., pfd. | 24.50 | 26.50 |
| Seal O Sac (Can.) | 3.25 | 4.00 |
| Standard Fuel, com. | 3.25 | 5.00 |
| Do., pfd. | 54.00 | 58.00 |
| Stedman Bros., pfd. par $50 | 53.00 | 55.00 |
| Supertest Pete., B pfd. | 27.00 | 30.00 |
| Toronto Carpet, com. | .... | 32.00 |
| Do., pfd. | 54.50 | 60.00 |
| United Farmers Co-op. | 3.00 | 4.00 |
| United Steel, A pfd. | 19.00 | 20.00 |
| Viceroy Mfg., pfd. & rts. | 21.00 | 23.00 |
| Western Grain, pfd. bonus. | 9.00 | 10.00 |
| Western Steel Prod., com. | 11.00 | 11.75 |
| Weston (Geo.) Foods (Eng.) | 3.50 | 4.00 |
| Willards Chocolates, pfd. | 23.00 | .... |
| Wings Limited | .40 | .50 |
| **Trusts and Loan Stocks:** | | |
| British Mortgage | 140.00 | .... |
| Commercial Finance, com. | 2.65 | 3.10 |
| Guelph & Ont. Inv. | 50.50 | .... |
| London & Western Trust | 30.50 | 38.00 |
| Monarch Mtge. Inv. Units | .75 | 1.10 |
| Premier Trust | .... | 110.00 |
| Sherbrooke Trust | 120.00 | .... |
| Sterling Trust | 43.00 | 48.00 |
| Traders Fin., A com. | 15.25 | 16.00 |
| Do., A pfd. bonus | 92.00 | .... |
| Do., B pfd. bonus | 92.50 | 96.00 |
| Trusts & Guarantee | 25.00 | 26.00 |
| **Insurance Stocks:** | | |
| Canada Life Assce. | 524.00 | 529.00 |
| Canadian Ins. Shares | 20.00 | 21.50 |
| Confed. Life 25% pd. | 135.00 | .... |
| Crown Life Fully Pd. | 216.00 | .... |
| Dominion Fire | 140.00 | .... |
| Dom. of Can. Gen. | 110.00 | 115.00 |
| Empire Life 25% pd. | 10.00 | 11.00 |
| Federal Fire 25% pd. | 48.00 | .... |
| Great West Life | 305.00 | .... |
| Imperial Life | 325.00 | 345.00 |
| Manufacturers Life | 250.00 | 260.00 |
| Monarch Life 10% pd. | 24.50 | 26.00 |
| Soverign Life 25% pd. | 12.00 | 13.50 |
| Sun Life | 505.00 | 525.00 |
| Toronto General | 5.00 | 6.25 |
| Western Assce., pfd. | 40.00 | 42.00 |
| Do., com. | 46.50 | 50.00 |
| **Theatre Stocks:** | | |
| Allens Kingston, pfd. | 61.00 | 66.00 |
| Do., London pfd. | 52.00 | .... |
| Do., St. Catharines, pfd. | 60.00 | 65.00 |
| Do., Tor. pfd. bon. com. | 31.00 | .... |
| Loew's London, pfd. | 3.00 | 3.90 |
| Marcus Loew's, pfd. | 112.50 | 117.00 |
| Mansfield Theatre, pfd. | 22.50 | .... |
| Paramount Kitchener, pfd. | 47.00 | 51.00 |
| Do., Oshawa pfd. | 85.00 | 89.50 |
| United Amusement, A | 15.00 | 16.00 |
| **Investment Trust Shares:** | | |
| Can. Gen. Invest. | 8.60 | 9.05 |
| Can. Investment Fund | 3.95 | 4.30 |
| Can. Investors Corp. | 6.50 | 7.00 |
| Inv. Foundation, pfd. bon. | 55.00 | 58.00 |
| Sec's. Hold. Corp., pfd. bon. | 16.50 | 17.75 |
| United Corp., A | 20.25 | 21.50 |
| Do., B | 12.25 | 13.00 |
| **Power Issues:** | | |
| Calgary Power, pfd. | 87.50 | 90.00 |
| Can. West. Nat. Gas, com. | 25.50 | 28.00 |
| Do., pfd. | 92.00 | 94.00 |
| Great Lakes Power, pfd. | 100.00 | 104.00 |
| Inter. Util., $1.75 pfd. | 8.00 | 9.00 |
| Do., $7 pfd. | 85.00 | .... |
| Montreal Island Power, pfd. | 19.00 | 21.00 |
| Northern Ont. Power, pfd. | 97.00 | 101.00 |

## Unlisted Mines

TORONTO
August 9, 1938

| | Bid | Ask. |
|---|---|---|
| Addington | .18 | .21 |
| Albany R. | .24 | .26 |
| Alg. Sum. | .21½ | .22 |
| Amorada | .04 | .05 |
| Arjon | .04 | .05 |
| Armistice | .03 | .04 |
| Argosy | .05 | .05½ |
| Arno | .02¾ | .03½ |
| Athona | .06 | .07 |
| Area | .15 | .16 |
| Bailor | .01 | .01½ |
| Barb. Lar. | .34½ | .36 |
| Bear | .34 | .35 |
| Bidlam | .. | .05 |
| Big Master | .04¾ | .05½ |
| Bilmac | .10 | .12 |
| Baldwin | .02½ | .02½ |
| Buff. Bea. | .22 | .23 |
| Cuniptau | .06 | .07 |
| Cald. Bou. | .04 | .05 |
| Camlaren | .24 | .25 |
| Can. Pand. | .04½ | .05½ |
| Can. Kirk. | .01 | .01½ |
| Capital R. | .02½ | .03 |
| Cent. Man. | .04 | .04½ |
| Chan Yell | .. | .43 |
| Cheminis | .09¾ | .10 |
| Coin Lake | .05 | .06 |
| Crowsh'e | .10 | .12 |
| Cont. Kirk. | .13 | .14 |
| Dawson | .05½ | .06 |
| Delandore | .. | .10 |
| Delwood | .04 | .05 |
| Desantis (new) | .32 | .34 |
| Doreva | .08½ | .08¾ |
| Devon | .20 | .22 |
| Donmartic | .04 | .05 |
| Dunlop (new) | .03 | .04 |
| Elmos | .34 | .35 |
| East Lac | .02 | .03 |
| Faulkham | .22½ | .24 |
| Frontier | .07 | .07½ |
| Gate Pat. | .03 | .04 |
| Gilbec | .01¾ | .02 |
| Goldside | .01½ | .01¾ |
| Golden G. | .47 | .49 |
| Golden T. | .09 | .11 |
| Gord. Lebel | .04½ | .05 |
| Gorham G. | .04 | .05 |
| Halnor | 7.75 | 8.25 |
| Halliwell | .04 | .04¾ |
| Hayes C. | .. | .11 |
| Hislop | .02 | .03 |
| Hiawiatha | .. | 1.25 |
| Hutch. L. | .03¾ | .04½ |
| Hugh P. P. | .12½ | .14 |
| Janus | .16 | .17 |
| Keora | .03½ | .04 |
| Keystone | .01 | .01½ |
| Kaw Crow | .02½ | .03½ |
| Kenricia | .25 | .27 |
| Kerry G. | .20 | .25 |
| Kewaga | .12½ | .13 |
| Kirvit | .03 | .03½ |
| Kingfisher | .00¾ | .01½ |
| Kirk. Gate | .09 | .11 |
| Kirk. H. | .01¾ | .02½ |
| Lacoma | .05 | .05½ |
| Lafayette | .01¾ | .02½ |
| L. Dufau. | 1.17 | 1.22 |
| L. Geneva | .22 | .24½ |
| Lake Rose | .07½ | .08½ |
| Lamaque | 6.45 | 6.75 |
| Lardego | .03 | .04 |
| Lucky K. | .05½ | .06 |
| Magnet L. | .11 | .13 |
| Magnet C. | .61 | .63 |
| Mal. Gold | .59 | .60½ |
| Martin B. | .21 | .22 |
| Mat. Can. | .06 | .07 |
| Moffatt Hall (new) | .05½ | .07 |
| McF. L. L. | .03 | .03¾ |
| McC. Webb | .07½ | .08½ |
| McV. Kirk. | .03 | .04 |
| Monarch | .02 | .02¾ |
| Mosher | .21½ | .22 |
| Mooshla | .06 | .07 |
| Norlake | .04 | .04½ |
| Negus | .. | .85 |
| No. Shores | .01¾ | .02½ |
| Oklend | .21 | .23 |
| O'L. Mal. | .04 | .05 |
| Opemiska | .14½ | .. |
| Oriole | .04 | .05 |
| Ossian | .05 | .06 |
| Pascalis | .32 | .34 |
| Porc. L. | .14 | .15 |
| Porc. McN. | .03½ | .03¾ |
| Plains P. | 1.35 | 1.50 |
| Planet | .. | .07 |
| Pontiac R. | .14 | .15 |
| Pelangio | .07½ | .08 |
| Polaris | .22 | .25 |
| Proptary | 2.00 | 2.05 |
| Queb. M. | .20 | .22 |
| Rand Mal. | .38 | .40 |
| Rajah | .02½ | .03 |
| Ray Tib. | .34 | .36 |
| New Rib. | .07 | .07½ |
| Richrock | .08½ | .09 |
| Ronda | .16 | .17 |
| Rouyn R. | .02½ | .03 |
| Rubec | .02 | .02½ |
| Sach. R. | 16.75 | 17.50 |
| Sand R. | .22 | .24 |
| Shenango | .05½ | .05¾ |
| Sheldon | .12 | .13 |
| Silver V. | .02½ | .03¾ |
| Siscoe E. | .17 | .19 |
| Smelter | .04 | .04½ |
| So. Keora | .03½ | .04 |
| So. Verm. | .11 | .12 |
| Spooner | .05½ | .06½ |
| Sturg. R. | .20 | .22 |
| Sunbeam | .32 | .34 |
| Sunbear | .04 | .05 |
| Surf. Inlet | .15 | .16 |
| Springer | .10½ | .11½ |
| Tonawanda | .05 | .05¾ |
| Up. Canada | .80 | .82 |
| Virita | .. | .08 |
| Wascanna | .. | .10 |
| Williamson | .02½ | .03½ |
| Wilport | .07 | .. |
| Wesley | .05 | .06 |
| Wells L. L. | .10 | .12 |
| Westside | .02¾ | .03½ |
| Westwood | .08¾ | .10 |
| White H. | .05 | .06 |
| Winoga | .05½ | .06½ |
| Woco | .34 | .36 |
| Ypres C. | .. | .04 |
| Young D. | .20 | .21½ |

MONTREAL
August 9, 1938

| | Bid | Ask. |
|---|---|---|
| Abbeyville | .12 | .13 |
| Amity | .01½ | .. |
| Brown Cadillac | .01½ | .02½ |
| Chibmac | .03 | .03½ |
| Cournor | .. | .20 |
| Dempsey Cad. | .. | .03 |
| Dorval Units | .. | 8.50 |
| Lake Rowan | .07½ | .09 |
| L. L. Lagoon | .03½ | .05 |
| Leroy | .01½ | .01¾ |
| Margaret | .08 | .12 |
| Obalski | .07½ | .08½ |
| Pan. Canadian | .13 | .15 |
| Gauthier Cad. | .. | .07 |
| Valdor Min. | 1.35 | 1.45 |
| Warrenmac | .07 | .10 |

## Government Bonds

(Supplied by Investment Dealers' Association of Canada)

**Dominion of Canada Bonds**

| Aug. 10, 1938 | | Bid | Asked | Approx. Yld. |
|---|---|---|---|---|
| | 1 Jan. '39 | 100.75 | 101.25 | ... |
| 1 | 1 June '39 | 100.10 | 100.50 | .40 |
| 1 | 15 Nov. '39 | 101.25 | 101.75 | .67 |
| 2½ | 15 Oct. '39 | 101.75 | 102.25 | .70 |
| 4 | 15 Oct. '39 | 103.50 | 104.00 | .77 |
| 1½ | 1 June '40 | 100.75 | 101.25 | .82 |
| 4½ | 1 Sept. '40 | 106.37 | 106.87 | 1.15 |
| 1 | 15 Mar. '41 | 99.50 | 100.00 | 1.00 |
| 5 | 15 Nov. '41 | 110.50 | 111.00 | 1.55 |
| 2 | 1 June '42 | 101.40 | 102.00 | 1.46 |
| 3 | 15 Oct. '42 | 104.62 | 105.12 | 1.73 |
| 2½ | 1 June '43 | 102.62 | 103.12 | 1.82 |
| 5 | 15 Oct. '43 | 113.50 | 114.25 | 2.10 |
| 2 | 1 June '44 | 99.62 | 100.12 | 1.98 |
| ▪2¼ | 15 Jan. '44 | 102.00 | 102.75 | ▲1.60 |
| 4½ | 15 Oct. '44 | 112.00 | 112.50 | 2.32 |
| 2½ | 15 Nov. '44 | 101.75 | 102.25 | 2.11 |
| ▪2½ | 15 Aug. '45 | 102.75 | 103.50 | ▲1.78 |
| 4 | 15 Oct. '45 | 108.50 | 109.00 | ▲2.16 |
| 4½ | 1 Feb. '46 | 112.25 | 112.75 | 2.61 |
| 3¼ | 1 June '49 | 103.00 | 103.50 | ▲2.75 |
| 3½ | 15 Oct. '49 | 104.25 | 104.75 | ▲2.66 |
| 3¼ | 15 Nov. '51 | 102.50 | 103.00 | ▲2.92 |
| ▪ | 1 May '52 | 112.37 | 113.12 | ▲1.40 |
| 4 | 15 Oct. '52 | 108.50 | 109.00 | ▲2.91 |
| 3 | 1 June '55 | 99.12 | 99.62 | 3.03 |
| 4½ | 1 Nov. '56 | 111.50 | 112.25 | ▲2.86 |
| 4½ | 1 Nov. '57 | 111.75 | 112.50 | ▲2.98 |
| 3 | 1 June '58 | 98.25 | 98.75 | 3.08 |
| 4½ | 1 Nov. '58 | 112.37 | 112.87 | ▲3.05 |
| 4½ | 1 Nov. '59 | 113.00 | 113.50 | ▲3.09 |
| ▪ | 1 Oct. '60 | 110.12 | 110.87 | ▲2.95 |
| ▪3¾ | 15 Jan. '61 | 103.75 | 104.50 | ▲2.92 |
| 3¼ | 1 June '66 | 100.62 | 101.12 | ▲3.16 |
| ▪ | 15 Jan. '67 | 99.25 | 100.00 | 3.00 |
| | Perp. bonds | 89.37 | 89.87 | 3.33 |

**Dominion Guaranteed Bonds**

Canadian National Railway:

| | | Bid | Asked | Yld. |
|---|---|---|---|---|
| 2 | 15 Jan. '42 | 100.75 | 101.75 | 1.46 |
| 2 | 15 Feb. '43 | 100.00 | 101.00 | 1.77 |
| 3 | 1 May '44 | 103.50 | 104.50 | 2.16 |
| 3 | 15 Dec. '50 | 98.75 | 99.75 | 3.02 |
| 3 | 15 Feb. '53 | 98.25 | 99.25 | 3.07 |
| *4½ | 1 Sept. '51 | 115.25 | 116.25 | 2.98 |
| *4½ | 1 Feb. '56 | 115.75 | 116.75 | 3.24 |
| †4½ | 1 July '57 | 115.25 | 116.25 | 3.33 |
| *4¾ | 15 June '55 | 118.00 | 119.00 | 3.28 |
| 5 | 1 Feb. '54 | 118.50 | 119.50 | 3.37 |
| *5 | 1 July '69 | 117.00 | 118.00 | ▲2.50 |
| *5 | 1 Oct. '69 | 120.00 | 121.00 | ▲3.17 |
| *5 | 1 Feb. '70 | 120.00 | 121.00 | ▲3.17 |

**Provincial Government Bonds**

| | | Bid | Asked | Yld. |
|---|---|---|---|---|
| **New Brunswick:** | | | | |
| 3 | 15 Oct. '51 | 92.00 | 93.00 | 3.66 |
| 3½ | 15 June '56 | 94.00 | 95.00 | 3.88 |
| †4 | 15 Nov. '47 | 101.50 | 102.50 | ▲3.61 |
| †4½ | 15 Apr. '61 | 104.00 | 105.00 | 4.16 |
| †5 | 15 Jan. '60 | 109.00 | 110.00 | 4.28 |
| **Nova Scotia:** | | | | |
| 3 | 2 Jan. '52 | 96.00 | 97.00 | 3.27 |
| 3¼ | 1 June '56 | 98.00 | 99.00 | 3.32 |
| 3½ | 15 Dec. '49 | 101.50 | 102.50 | 3.24 |
| †4½ | 15 Sept. '52 | 110.00 | 111.00 | ▲3.11 |
| †4½ | 15 Nov. '60 | 111.50 | 112.50 | 3.68 |
| †5 | 1 Mar. '60 | 117.00 | 118.00 | 3.78 |
| **Ontario:** | | | | |
| 2½ | 15 May '45 | 101.00 | 102.00 | 2.18 |
| 3 | 1 Dec. '51 | 98.50 | 99.50 | 3.04 |
| 3¼ | 15 Nov. '51 | 101.25 | 102.25 | ▲3.02 |
| *4 | 1 June '62 | 108.00 | 109.50 | 3.42 |
| 4½ | 1 June '50 | 112.50 | 113.50 | 3.14 |
| *4½ | 15 Jan. '62 | 114.50 | 116.50 | 3.47 |
| 5 | 15 Oct. '48 | 116.00 | 117.00 | 3.09 |
| *5 | 2 Dec. '60 | 122.00 | 124.00 | 3.46 |
| 5½ | 1 July '46 | 116.50 | 117.50 | 3.01 |
| **Ont. Hydro Comm.:** | | | | |
| 3¼ | 1 Feb. '53 | 100.50 | 101.50 | ▲3.10 |
| 3½ | 1 Apr. '47 | 103.00 | 104.00 | 2.97 |
| 4¾ | 1 Jan. '70 | 118.50 | 120.00 | 3.67 |
| **Prince Edward Island:** | | | | |
| 3 | 1 Oct. '45 | 99.50 | 100.50 | 2.92 |
| **Quebec:** | | | | |
| 3 | 1 Nov. '51 | 97.50 | 98.50 | 3.14 |
| 3¼ | 1 Mar. '48 | 100.50 | 101.50 | 3.06 |
| 3¼ | 1 June '52 | 99.50 | 100.50 | 3.20 |
| 4 | 15 Mar. '52 | 105.50 | 106.50 | 3.41 |
| 4¼ | 1 Aug. '58 | 109.50 | 110.50 | 3.51 |
| 4½ | 2 Jan. '63 | 112.50 | 113.50 | 3.66 |
| **Alberta:** | | | | |
| 4 | 15 Dec. '54 | 56.25 | 60.25 | § |
| 4½ | 1 Oct. '51 | 62.25 | 66.25 | § |
| †4½ | 1 Oct. '56 | 58.75 | 62.75 | § |
| *5 | 1 Oct. '59 | 59.75 | 63.75 | § |
| †5½ | 1 Apr. '52 | 62.25 | 66.25 | § |
| 6 | 1 Mar. '47 | 63.25 | 67.25 | § |
| **British Columbia:** | | | | |
| †4 | 1 Dec. '57 | 88.25 | 91.25 | 4.69 |
| *4½ | 15 Jan. '51 | 97.00 | 100.00 | 4.50 |
| †4½ | 1 Oct. '53 | 95.75 | 98.75 | 4.61 |
| †5 | 25 Apr. '54 | 99.25 | 102.25 | 4.80 |
| 5½ | 1 Feb. '45 | 101.50 | 104.50 | 4.69 |
| 6 | 15 Feb. '47 | 103.00 | 106.00 | 5.12 |
| **Manitoba:** | | | | |
| †4 | 1 Dec. '57 | 83.50 | 87.50 | 5.01 |
| †4½ | 15 Dec. '56 | 88.25 | 92.25 | 5.16 |
| *5 | 2 Dec. '59 | 94.25 | 98.25 | 5.13 |
| 5½ | 1 Oct. '55 | 97.00 | 101.00 | 5.41 |
| 6 | 1 Apr. '47 | 99.00 | 103.00 | 5.56 |
| **Saskatchewan:** | | | | |
| 4 | 1 Nov. '60 | 70.75 | 74.75 | 6.07 |
| †4½ | 1 Oct. '51 | 79.75 | 83.75 | 6.30 |
| †4½ | 15 Mar. '60 | 74.25 | 78.25 | 6.35 |
| 5 | 1 Aug. '58 | 80.00 | 84.00 | 6.42 |
| 5½ | 1 Oct. '52 | 85.50 | 89.50 | 6.63 |
| 6 | 15 Mar. '52 | 88.50 | 92.50 | 6.85 |

*Payable Can., N.Y., & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ▪Payable N.Y. ‡Callable on or after Sept. 15, 1936. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

## Dividends Declared

| | This payment | Date payable | Date of record |
|---|---|---|---|
| Aluminium, pfd. | $1.50 | Sept. 1 | Aug. 15 |
| Assoc. Tele., 1st pf. | 49c | Aug. 15 | July 30 |
| Do., $6 pref. | 42c | Aug. 15 | July 30 |
| Agnew-Surpass | 30c | Sept. 1 | Aug. 15 |
| Do., bonus | 20c | Sept. 1 | Aug. 15 |
| Do., pref. | $1.75 | Oct. 1 | Sept. 15 |
| Bk. Can. Nationale | $2 | Sept. 1 | Aug. 15 |
| Borden Co., c. | 30c | Sept. 1 | Aug. 15 |
| Bank of Montreal | $2 | Sept. 1 | July 30 |
| Bk. of Toronto | $2.50 | Sept. 1 | Aug. 15 |
| Buff. Ankerite | 25c | Aug. 15 | Aug. 1 |
| Beattie Gold | 5c | Aug. 20 | July 29 |
| Crown Cork | 25c | Aug. 15 | July 30 |
| Cons. Sand, pref. | $3.50 | Aug. 15 | July 30 |
| Cosmos Imp. | 25c | Aug. 15 | July 30 |
| Do., pref. | $1.25 | Oct. 15 | Sept. 30 |
| Can. Fairbanks, c. | $1 | Aug. 15 | July 30 |
| Canadian Oil, c. | 12½c | Aug. 15 | Aug. 1 |
| Can. Wire & C. pf. | $1.62½ | Sept. 15 | Aug. 31 |
| Commoil | 3.5c | Aug. 25 | Aug. 11 |
| Dominion Bridge | 30c | Aug. 15 | July 30 |
| Dom. Ang. Inv., p. | $1.25 | Sept. 1 | Aug. 15 |
| Electrolux | 40c | Sept. 15 | Aug. 15 |
| Firestone Pete. | 2c | Sept. 3 | Aug. 20 |
| Foundation Pete... | 2.5c | Sept. 3 | Aug. 20 |
| Ford Motor | 25c | Sept. 17 | Aug. 27 |
| Gatineau Pr., c. | *20c | Sept. 15 | Aug. 20 |
| Do., pref. | $1.25 | Oct. 1 | Sept. 1 |
| Gurd, Chas., pref. | $1.75 | Aug. 15 | Aug. 1 |
| Int. C'l & Coke, c. | †1½c | Aug. 19 | Aug. 15 |
| Inter. Nickel, c. | 50c | Sept. 30 | Aug. 31 |
| Kerr Lake M. | 5c | Aug. 15 | Aug. 1 |
| Loblaw "A," "B" | 25c | Sept. 1 | Aug. 10 |
| Lake of W. M. p... | $1.75 | Sept. 1 | Aug. 15 |
| Louisiana Land, c. | 10c | Sept. 15 | Sept. 1 |
| Laura Secord, c. | 75c | Sept. 1 | Aug. 15 |
| Montreal Loan | 50c | Sept. 15 | Aug. 31 |
| McColl-Front., c. | 10c | Sept. 15 | Aug. 15 |
| McGillivray Cr., c. | 1½c | Aug. 19 | Aug. 15 |
| McIntyre Porc. | 50c | Sept. 1 | Aug. 1 |
| Monarch Rylts. | 1c | Sept. 3 | Aug. 20 |
| N.S. L. & Pr. pf... | $1.50 | Sept. 1 | Aug. 13 |
| Neon Products | 25c | Aug. 15 | July 30 |
| Nat. Biscuit | 40c | Oct. 15 | Sept. 16 |
| Do., pref. | $1.75 | Aug. 31 | Aug. 12 |
| Nipissing Mines | 15c | Aug. 22 | Aug. 1 |
| Ont. Steel | 50c | Aug. 15 | July 30 |
| Do., pref. | $1.75 | Aug. 15 | July 30 |
| Penmans | 75c | Aug. 15 | Aug. 5 |
| Prairie Rylts. | 5.5c | Sept. 3 | Aug. 20 |
| Prov. Transport | 10c | Aug. 15 | Aug. 1 |
| Paymaster Cons. | *1c | Sept. 15 | Sept. 1 |
| Quebec Power | 25c | Aug. 15 | July 25 |
| Rolland Paper | 25c | Aug. 15 | Aug. 5 |
| Do., pref. | $1.50 | Sept. 1 | Aug. 15 |
| Royal Bank | $2 | Sept. 1 | July 30 |
| Regent Knit., pf. | 40c | Sept. 1 | Aug. 15 |
| Stuart D. Oil p... | 20c | Sept. 1 | Aug. 15 |
| Shawinigan W. | 20c | Aug. 15 | July 28 |
| South. Can. Pr., c. | 20c | Aug. 15 | July 30 |
| Sylvanite Gold, c. | 5c | Sept. 30 | Aug. 20 |
| Toburn Gold | 2c | Aug. 22 | July 22 |
| Do., extra | 2c | Aug. 22 | July 22 |
| Union Gas | 20c | Sept. 15 | Aug. 20 |
| United Fuel, p. | ‡$1 | Sept. 1 | Aug. 15 |
| United Corp., A | 38c | Aug. 15 | July 30 |
| Walker-G. & W. | $1 | Sept. 15 | Aug. 26 |
| Do., pref. | 25c | Sept. 15 | Aug. 26 |
| York Knitting pf.. | $3.50 | Aug. 15 | Aug. 11 |
| Do., 2nd pref. | $3.50 | Aug. 15 | Aug. 11 |

‡On arrears. †Interim. *Initial.

## DIVIDEND NOTICES

### Gatineau Power Company

**Notice of Dividend on 5% Cumulative Preferred and Common Stock**

Ottawa, Canada,
August 5, 1938.

The Board of Directors has declared a quarterly dividend of 1¼% ($1.25 a share) on the shares of 5% Cumulative Preferred Stock of the Company payable October 1st, 1938, to holders of record of such stock at the close of business September 1st, 1938; also an initial quarterly dividend of Twenty cents ($.20) a share on the Common shares of this Company payable on September 15th, 1938, to shareholders of said class of record at the close of business August 20th, 1938.

Cheques will be mailed. Stock transfer books will not close.

J. R. BINKS,
Secretary.

## Commodities

Commodity prices during the week have moved downward with recessions being general in the weekly indices as a result.

Pressure of the new crop resulted in a substantial decline in wheat while indications of a large cotton crop brought lower prices in that also. Livestock markets were softer and silk and rubber sold at lower levels. Sugar and hides held steady while coffee was fractionally higher.

The decline in cattle is more or less of a seasonal development although with lower markets for grain, other agricultural products are likely to be affected.

Future trend of commodities, of course depends to a large extent on the course of trade and industry as an improvement there would rapidly take up much of the supply.

**Price Range**

| | Latest week | Previous week | Same week last yr. |
|---|---|---|---|
| Cattle | $7.75 | $8.00 | $10.00 |
| Hogs | 11.10 | 12.65 | 11.50 |
| Copper, lb. | .10⅛ | .10⅛ | .14 |
| Cotton, lb. | .0853 | .0872 | .1124 |
| Rubber, lb. | .1606 | .1612 | .1869 |
| Sugar, raw, lb. | .0275 | .0275 | .0350 |
| Silk, lb. | 1.74 | 1.80 | 1.90 |
| Wheat, Man. (bus.) | .83⅝ | .92¾ | 1.27⅝ |
| Coffee, lb. | .05½ | .04⅞ | .09⅜ |
| Hides | .11½ | .11½ | .17½ |

**Weekly Indices**

| | | | |
|---|---|---|---|
| Canada (D.B.S.) | 78.0 | 78.6 | 86.7 |
| Do., Wood, Gundy | 56.5 | 57.9 | 83.4 |
| U. S. Labor | 78.7 | 78.9 | 87.8 |
| Dow Jones (future) | 48.02 | 48.68 | 66.30 |
| Crumps (Brit.) | 73.2 | 74.0 | 83.5 |
| Fishers' | 81.0 | 81.6 | 91.8 |

**Monthly Indices**

| Canada (D.B.S.) | Latest month | Prev. month | Same last year |
|---|---|---|---|
| Retail (June) | 84.1 | 84.2 | 82.9 |
| W'sale (June) | 80.1 | 80.3 | 84.6 |
| U. S. (May) | 78.1 | 78.7 | 87.4 |
| Gt. Brit. (Apr.) | 103.1 | 104.1 | 108.9 |

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto: Copper-electrolytic, New York: Silk — Japanese, 13-15 New York: Sugar — 96 degrees centrifugal c/f New York: Wheat — No. 1 Man. North, Ft. W.-Pt. A. Basis: Hides — No. 1 packer light.

## Mining Dividends

| | Rate | Close Aug. 8 | Yield % |
|---|---|---|---|
| Anglo-Huronian | 10c | 3.10 | 3.2 |
| Beattie Gold | 10c | 1.23 | 8.0 |
| Bralorne | 60c+30c | 9.65 | *9.3 |
| Buffalo Ankerite | $1 | 16.50 | 6.1 |
| Bulolo Gold | $3 | 28.00 | 10.7 |
| Can. Malartic | 6c | 1.08 | 5.5 |
| Cariboo | 10c+4½c | 2.55 | *5.8 |
| Central Patricia | 12c | 2.70 | 4.4 |
| Coniagas | 25c | 1.56 | .. |
| Coniaurum | ‡5c | 1.49 | .. |
| Cons. Smelters | 50c+50c | 60.25 | .. |
| Dome Mines | $2 | 33.75 | 5.9 |
| Falconbridge | 30c | 6.00 | 5.0 |
| Gunnar Gold | †3c | .70 | 4.2 |
| Hedley Mascot | 12c+3c | 1.11 | *13.6 |
| Hollinger | 65c+45c | 15.13 | *7.2 |
| Howey Gold | 4c | .29 | .. |
| Hudson Bay | $1.75 | 31.00 | .. |
| Inter. Mining | 25c | 10.50 | .. |
| Int. Nickel, com. | $2+25c | 51.25 | *4.4 |
| Island Mountain | 5c | 1.23 | 4 |
| Jack Waite | †1½c | .48 | .. |
| Kerr Lake | 5c | .53 | 9.4 |
| Kirkland Lake | 8c | 1.34 | 5.9 |
| Kootenay Belle | 9c+1c | 1.39 | *7.2 |
| Lake Shore | $4+$1 | 52.75 | 9.4 |
| Lava Cap M. | 5c | .95 | ... |
| Little Long Lac | 10c | 3.50 | ... |
| Macassa | 20c | 4.80 | 4.1 |
| McGillivray Creek | 3c | .21 | ... |
| McKenzie Red Lake | 12c | 1.23 | 9.7 |
| McKinley Sec. | 5c | .60 | 8.3 |
| Noranda | ‡$2 | 74.00 | .. |
| Nipissing | 15c | 1.60 | .. |
| North. Empire | 50c | 8.75 | 5.7 |
| Oro Plata | †4c | .71 | .. |
| Paymaster | ‡1c | .50 | .. |
| Pioneer, B.C. | 40c | 2.95 | 13.4 |
| Pickle Crow | 40c | 5.10 | 7.8 |
| Placer Develop. | $1.20 | 16.00 | 7.5 |
| Premier | 12c | 2.25 | 5.3 |
| Reno | 12c | .45 | .. |
| San Antonio | 14c | 1.28 | 10.9 |
| Sheep Creek | 12c+2c | .98 | *14.3 |
| Silbak Prem. | †4c | 1.90 | .. |
| Siscoe | 20c+1c | 2.20 | *9.5 |
| Sudbury Basin | 10c | 2.65 | .. |
| Sullivan Cons. | 5c | 1.06 | 4.7 |
| Sylvanite | 20c+5c | 3.25 | *7.7 |
| Teck-Hughes | 40c+10c | 4.60 | *10.8 |
| Toburn | 8c+4c | 2.07 | *4.5 |
| Ventures | 37½c | 6.05 | 6.1 |
| Wright-Harg. | 40c+30c | 7.90 | *8.8 |

†Initial. *Yield includes bonus.
‡Interim.

## DIVIDEND NOTICES

### BANK OF MONTREAL

Established 1817

**DIVIDEND NO. 301**

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after THURSDAY, the FIRST day of SEPTEMBER next, to Shareholders of record at close of business on 30th July, 1938.

By Order of the Board

JACKSON DODDS — General Manager
G. W. SPINNEY — General Manager

Montreal, 19th July, 1938.

### SYLVANITE GOLD MINES LIMITED

(No Personal Liability)

TO SHAREHOLDERS AND HOLDERS OF SHARE WARRANTS:

NOTICE OF DIVIDEND NO. 29

Take notice that a regular quarterly Dividend of 5% (i.e., five cents per share) on the outstanding Capital Stock of the Company, payable in United States funds, has been declared as Dividend No. 29.

Such Dividend will be payable Sept. 30th, 1938, to shareholders of record at the close of business August 20th, 1938.

In the case of Share Warrants such Dividend will be payable on or after Sept. 30th, 1938, in respect of the shares specified therein, upon presentation and delivery of Coupon No. 29 at:

The Canadian Bank of Commerce, Toronto, or any branch of said Bank in Canada (Yukon Territory excepted) at the Bank's current buying rate for United States funds on the date the coupon is cashed, without deduction for collection charges; or, Liberty Bank of Buffalo, Buffalo, N.Y.

The Canadian 5% tax will be deducted from Dividends paid to non-residents.

By order of the Board,
W. S. WALTON, Secretary.

Toronto, August 4th, 1938.

### PAYMASTER CONSOLIDATED MINES, LIMITED

(No Personal Liability)

**INTERIM DIVIDEND NOTICE**

NOTICE is hereby given that an Interim Dividend of ONE CENT per Share on the issued Capital Stock of the Company will be paid on September 15th, 1938, to Shareholders of record at the close of business on September 1st, 1938.

In View of the above dividend declaration, it is important that shareholders have their stock registered in their own names. Certificates properly endorsed should be forwarded to the Company's Transfer Agents, The Trusts and Guarantee Company, Limited, 302 Bay Street, Toronto, Canada.

By Order of the Board.
E. L. O'REILLY,
Secretary.

Toronto, August 2nd, 1938.

A. J. PATTISON JR. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

# Prospects Seen At South Malartic

## Directors Report on Property Adjoining the Malartic Trio

Development work at South Malartic Gold Mines has revealed mineralization of commercial value and geological conditions similar to the adjoining Canadian East and Sladen Malartic, directors of the former company announced.

Of vital importance are the two, at least, strong shear zones in the north of the property, which are very similar to the zones which contain bodies of ore on the properties of Canadian, East and Sladen Malartic. So far low values in gold and silver have been obtained from the shear zones, but they are explored in only limited areas. The central part of the property is occupied with a belt of syenite porphyry which has a minimum length of 4,600 ft. east-west, and a breadth of more than 800 ft.

Further diamond drilling is necessary to locate the concentration of values. Of the drilling done thus far, every hole has been successful from a geological standpoint and although values are low, work done has proved that gold is widely distributed throughout the property, the directors state.

On Dec. 31, 1937, the company had accomplished a total of 6,287 days work on its 35 claims. To consolidate work done and to develop ore bodies similar to those on the adjoining properties, directors are undertaking to secure additional funds.

# New Ribago Drilling Considers Amalgamation

Consideration is being given by New Ribago to amalgamation of two groups of the company's property with a number of properties held by two other companies for a stock consideration in a new company to be formed. Diamond drilling is being carried on at the company's 480-acre group in Beauchastel and Rouyn twps. The company has acquired a property of five claims adjoining Waite Amulet Mines Ltd., to the east, a 50% interest in 1,600 acres adjoining Lake Dufault to the north and Newbec Mines to the east, and an undetermined interest in an option on a further group in the vicinity.

**Week in Wheat**

# U. S., Canadian Prices Undergoing Adjustment

## Market Action Seeking Proper Relationship Between Chicago and Winnipeg in Light of Better Grade of Canadian Grain

From Our Own Correspondent

WINNIPEG.—Wheat market action during the past week has largely been a struggle to adjust relations between Chicago and Winnipeg.

Canadian wheat prices may be sufficiently above United States levels to allow for a considerable margin in quality and a superiority of this country's wheat for mixing with European wheats. But they cannot be so much higher as to persuade overseas buyers to fill their requirements with United States wheat instead of Canadian.

The markets in each country seem to be feeling their way to adjustments on this basis. It is not impossible that the general level reached will be somewhat higher than that recently attained.

Private reports suggest that the United States crop may have been overestimated by some 50 million bushels or more. Also, the total for that country is likely to include large quantities of low-grade wheat, unsuitable either for export or for coverage under the Government loaning plan, which really ought to be forced into consumption as chicken feed.

Cash wheat prices are still holding slightly above the Government price of 80 cents a bushel. Some of the earliest wheat to reach the terminals at the head of the lakes may be sold on the open market instead of being delivered to the Wheat Board.

### *Traders Hang Back*

Immediate market effect of the announcement of the Wheat Board minimum price was bearish. Traders backed away from the market because of the apparent probability that the Board for some time at least would be getting all new wheat delivered in the country, and they were uncertain how prices might behave under such conditions. The effect is not necessarily permanent although traders are reluctant to be in the market beside a Government agency, until they satisfy themselves as to the probable course of action of that agency.

The market price of 73 cents a bushel registered for October wheat is not necessarily so far below the board minimum price of 80 cents a bushel as it at first appears. When new wheat begins to reach the terminals it is quite possible that No. 1 Northern will command a double premium over the October future, both on account of grade and on account of time.

At the close of last week, No. 1 Northern comanded a premium over the October future of 10 cents a bushel and thus was still worth a fraction over 4 cents a bushel above the new Government crop price. The premium will probably decline as October is approached, but nevertheless it may still be substantial during August and September.

* * *

### *Farmer Satisfied*

As far as can be ascertained the Government guarantee of a minimum price basis of 80 cents a bushel has been well received by the farmers. There is recognition of the fact that with world wheat production large this year a guarantee may represent as large a cost to the Dominion treasury as it could be expected to bear. The demand for 87½c. had been strongest in Alberta where practically every organization that could hold a meeting, from the Government down to the smallest local board of trade, had passed a resolution on the subject. But Alberta is quite conscious of the fact that its crop prospects are better than those of the other two provinces.

# Denison Nickel Hits Rich Ore

## Reports Large Deposit of Copper Nickel Found

J. R. Rea, president of Denison Nickel Mines, announces that a large deposit of high-grade copper-nickel ore has been found at the 650-foot level in the shaft.

Ore body was cut at a depth of 630 ft. on the way down to the 1,000-ft. horizon, the immediate objective of present sinking operations. Exceptionally good grade ore has been encountered over the entire length of 20 feet of sinking in ore. Most recent results are reported to run around 4 to 5% in base metals, assays up to $25, not including the precious metal content of the ore.

President Rea announces record time is being made with sinking to the 1,000-ft. level, with the new electrified mining plant, and a station is now being cut at 650 feet.

The company is fully financed to carry out present development, which is being done preparatory to mill consideration.

# Perron Gold Mines Set New Mark in July

Perron Gold Mines July production was $119,703 from 10,471 tons of ore milled, an average recovery of $11.43 per ton. This represented new highs for both total monthly recovery and average recovery per ton.

Production in June was $97,621 from 10,011 tons of ore, an average of $9.75 per ton. In July last year production was $74,410.

In the report covering operations for July, 1938, J. P. Norrie, general manager, stated that development was continued on veins 346 and 378 on the 375-ft. level where 250 ft. and 125 ft. of ore was exposed over drift width averaging better than $9 per ton.

All stopes responded well during the period, with 75% of the ore milled coming from the stope above the 325-ft. level. This percentage should continue for the balance of 1938, according to Mr. Norrie.

# Canadian Celanese Outlook Improves

From Our Own Correspondent

MONTREAL. — Improvement in sales in the latter part of the year is looked for by Canadian Celanese Ltd.

In common with other textile concerns, Canadian Celanese experienced lower demand for its products during the first half of the year. At the same time labor costs were higher and as a result earnings were considerably below the same period last year. This resulted in directors deferring dividends on the common stock.

Recently the outlook has improved. Not only does the company expect demand to improve, but prices may be higher. Rayon yarn prices in the United States were advanced recently, indicating improvement in demand is sufficiently well under way to justify better selling levels.

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# Elevator Companies to Show Big Revenue Gain

(Continued from page 9)

Collingwood raising $800,000 in the form of 5% debentures. The company was unable to meet interest and principal payments on its mortgage to the town in 1937 but arrangements have been completed whereby six months extension has been granted on all the payments. The company is controlled by G. P. Campbell, Toronto.

For seven months in 1937 the elevator was closed and losses were incurred during every month of the year. A net operating loss of $8,902 was reported as compared with a profit of $54,181 in 1936.

Capitalization includes 13,345 no par value preferred shares and 25,000 common shares. In addition to this the company has a mortgage payable to the town of Collingwood of about 650,000. The company's stock is not listed.

**Toronto Elevators**

Toronto Elevators, Ltd., is expected to report its first loss on operations for the year ended July 31, 1938. The company has deferred payment of dividend on its common although maintaining regular payments on preferred. Last year Toronto Elevators showed $2.25 a share earned on its common and paid dividends totalling $2. An exact comparison of earnings per share is difficult to make because of the increase in the number of common outstanding through conversion of preference. The company now has outstanding $1.5 million of 5¼% accumulative preference stock and 52,318 no par value common shares.

In addition to a four-million bushel grain elevator at Toronto, the company operates another elevator of three-million bushel capacity at Sarnia. As at July 31, 1937, the company's subsidiary, the Sarnia Elevator Co., owed the city of Sarnia $588,020, balance due under the agreement of sale.

The company has been making considerable progress in diversifying its output in recent years and has an important and growing business in feeds. This business, however, is probably suffering some contraction because of closing of the formerly profitable export market to the United States. Whether or not this market will be regained, will probably depend on grain crops in that country.

Both the common and preference stocks are listed on the Toronto Stock Exchange.

**North American Elevator**

North American Elevators Ltd. operates a terminal elevator at Sorel with a capacity of three million bushels. Like Toronto Elevators, this company was assisted a year ago by imports of corn into the United States.

In the year ended April 30, 1937, the company earned $1.53 a share on its first preferred on which arrears were $26.25 a share. The second preference stock was $54.25 a share in arrears at April 30, 1937. The company also has $430,300 of 6½% first mortgage bonds outstanding.

**Alberta Pacific**

Alberta Pacific Grain Co. operates terminal elevators at Vancouver, Calgary and has a substantial interest in elevators at Fort William. As at June 30, 1937, the company had 363 country elevators in Saskatchewan and Alberta, as well as the complementary dwellings, coal sheds, and flour sheds. Country elevators are mostly in Alberta with 102 of them north of an east and west line drawn through Red Deer and 162 south of this line. In Saskatchewan there are 24 north of the line through Red Deer and 75 south of this line.

The company has $2.7 millions of 6% first mortgage bonds, due 1946. In January of this year an arrangement was made to postpone sinking fund until working capital could be kept at $1¼ million. At that time working capital was reported at $747,690. Interest payments have been maintained regularly on these bonds.

The company also has $3 millions of 7% preferred stock on which arrears were $56 a share at the end of June. Both the preferred and the 80,000 class A common shares are listed on the Toronto and Montreal Exchanges. The company has not had any earnings available for its preferred stock since 1933 when 48 cents a share was shown.

**N. Bawlf Grain**

N. Bawlf Grain Co. owns 116 country elevators, 32 annexes, 55 cottages and 50 coal sheds at railway points throughout Manitoba, Saskatchewan and Alberta. It also has an interest in an additional 25 elevators in Saskatchewan. Combined storage capacity of country elevators is approximately 5,450,00 bushels. It controls a 2.5 million bushel terminal elevator at Port Arthur and has an agreement with companies controlling a terminal capacity of approximately 4 million bushels at Vancouver.

A subsidiary had $265,000 of bonds outstanding at the end of July a year ago. The company itself has $500,000 of first mortgage bonds placed as collateral with its bankers.

Its capital stock includes $2 millions of 6½% cumulative preferred on which arrears were $48.75 a share at June 1, 1938. The preferred and the 60,000 no par value common shares are listed in the Montreal Stock Exchange.

Prior to the year ending July 31, 1937, the company had shown its bond interest earned by reasonably good margin but a loss of $90,847 was shown that year.

**Federal Grain**

Federal Grain, Ltd. operates 403 country elevators with an aggregate capacity of about 12.5 million bushels, 103 coal sheds, 60 flour sheds, 91 dwelling houses and three terminal elevators at Fort William and Port Arthur, having a combined capacity of 7.5 million bushels. The company also has access to terminal elevators at Vancouver through allied companies.

Of the 403 country elevators, 54 are in Manitoba, 76 in Alberta, and 273 in Saskatchewan, about 100 of which are south of the C.P.R. main line.

In the year ended July 31, 1937, the company experienced a decline of approximately 20% in volume of grain handled and as a result showed a net loss of $84,611 as compared with a net loss of $9,458 in the preceding year.

Interest on the company's $3.4 millions of 6% first mortgage bonds was earned 1.35 times before depreciation and .81 times after depreciation in the last year.

In addition to the bonds, the company has outstanding $3 millions of 6½% cumulative preference stock on which arrears as of July 31 this year amounted to $48.75 a share. There are also 160,000 class A common shares and 40,000 class B common shares. The class B common is a voting stock which has not been publicly offered, but about 12,000 of the class A shares were offered as a bonus with the preference. The class A, which is non-voting, ranks equally with the class B as to assets and dividends, but no payment has been made on either stock. The company's shares are not listed.

**Reliance Grain**

Reliance Grain Co. owns or controls 192 country elevators in western Canada and a terminal elevator at Port Arthur. Capacity of the country elevators is 6.1 million bushels and of the terminal elevator four million bushels. No information is available as to the location of the company's country elevators.

In the year ended Dec. 31, 1937, an operating profit of $133,607 was reported as compared with $704,204 for 1936. Net earnings were equivalent to .99 times interest requirements on the company's bonds before depreciation. In previous years the company has been able to earn its bond interest by a substantial margin after depreciation. However, interest and sinking fund requirements have been met promptly.

The company has $400,000 of 3% serial bonds, maturing, $80,000 annually on Jan. 2, 1938 to 1942, and $1 million of 4½% bonds due 1952. These bonds were issued in 1936 to refund a former 6% issue. Dividends on the company's $2 millions of 6½% cumulative preferred stock were paid regularly to the end of 1937, but the president stated at that time that further payments would be postponed. The company also has 100,000 no par value common shares on which no dividends have been paid. The common is listed on the Montreal Curb market.

**United Grain Growers**

United Grain Growers Ltd. operates a terminal elevator at Port Arthur and another at Vancouver, as well as 439 country elevators in Manitoba, Saskatchewan and Alberta. The company transacts an extensive business in the sale of coal, flour, binder twine and other farm supplies. All elevators, with the exception of the Vancouver terminal are owned by the company. The Port Arthur elevator has a capacity of 5.5 million bushels and the Vancouver elevator, which is leased from the Vancouver Harbor Commission until Aug. 1, 1947, has a capacity of 2.6 million bushels. The company operates a printing business in Winnipeg and through The Country Guide Ltd., publishes a monthly magazine which has a circulation of approximately 175,000 in the western provinces. Through another subsidiary the company acts as agent for insurance companies.

United Grain Growers is a development of the co-operative movement in western Canada. Its capital stock consists of $3.2 millions in $25 par value common. This stock is owned by approximately 27,000 shareholders, most of whom are grain growers. No one person is allowed to hold more than 100 shares. This stock is traded on the Winnipeg Stock Exchange.

The company has $2.6 millions of series A 5% first mortgage bonds, due 1948, and $520,000 of series B 5½% bonds, due in 1949. Interest and sinking fund requirements on both series of bonds have always been met promptly, although in the year ending July 31, 1937, the company had net earnings after depreciation equivalent to about .28 times fixed charges. No dividends have been paid on the common since July 31, 1936.

**Western Grain**

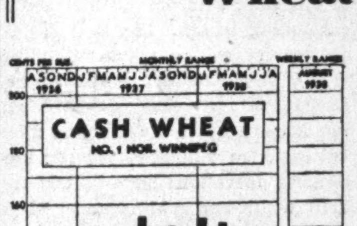
Western Grain Co. owns and operates 279 country elevators and 75 coal sheds in the western provinces. The company also has a terminal elevator at Fort William with a capacity of three million bushels. Combined storage capacities of all elevators is more than 10 million bushels. Of the company's country elevators, five are located in Manitoba, three in Alberta and 271 in Saskatchewan. The majority of the company's elevators are located in southern Saskatchewan.

In the year ended July 31, 1937, the company had a net loss of $224,394 as compared with a loss of $24,494 in the previous year. Prior to that it had been able to earn its bond interest before depreciation, but had experienced a series of losses after allowing for depreciation.

As at July 31, 1937, the company had $2.7 millions of 6% first mortgage bonds outstanding. Interest payment due July 2, 1937, was suspended and in 1935 bondholders authorized postponement of sinking fund payments. A bondholders' protective committee has been formed representing Canadian financial institutions who hold approximately 25% of the bonds.

The company also has $2 millions of 6½% preference stock outstanding on which arrears, as at July 31, 1938, were $47.125 a share. No dividends can be paid until postponed bond interest and sinking fund payments are restored. Common stock outstanding consists of 200,000 no par value shares on which no dividend payments have ever been made. The company's stock is not listed on any exchange.

## Wheat Prices



(Cash Quotations)

| | For Week Aug. 9 High | For Week Aug. 9 Low | Prev. Week High | Prev. Week Low |
|---|---|---|---|---|
| 1 Northern | .86⅞ | .83⅝ | .93½ | .87½ |
| 2 Northern | .83⅞ | .80⅝ | .90½ | .84½ |
| 3 Northern | .80⅞ | .66⅝ | .85½ | .81½ |
| 4 Northern | .70⅞ | .66⅝ | .75½ | .71½ |
| 5 Wheat | .64⅞ | .59⅜ | .65¼ | .63½ |
| 6 Wheat | .58⅞ | .53⅜ | .59¼ | .72½ |
| Feed Wheat | .56⅞ | .50⅝ | .57¼ | .56⅛ |

Competitive Export Prices:
Aug.-Sept. shipments:

| | Week to Aug. 9 High | Week to Aug. 9 Low |
|---|---|---|
| No. 1 North. (Van.) | 1.00⅜ | .92¾ |
| No. 3 North. (Atlan.) | .96⅜ | .89⅝ |
| Australian (afloat) | .92⅝ | .89⅝ |
| Indian (choice Karachi) | .91⅞ | .89⅝ |
| U. S. Hard Winters | .90⅞ | .82⅝ |
| U. S. White Pac.‡ | .81⅜ | .78⅞ |
| Argentine Barusso | .91⅞ | .90 |
| Russian† | .78⅛ | .75 |

†New crop.
‡Loading.

## Winnipeg Grain Futures

Week to Aug. 9, 1938

| Crop year from Aug. 1, 1938 High | Low | | Open Aug. 3 | High for week | Low for week | Close Aug. 9 | Close year ago |
|---|---|---|---|---|---|---|---|
| | | **Wheat** | | | | | |
| 1.03 | .71½ | Oct. | .76⅛ | .77⅝ | .71½ | .72 | 1.22⅝ |
| .88⅜ | .70½ | Dec. | .75½ | .76⅝ | .70½ | .71⅛ | 1.19¾ |
| .87⅞ | .72 | Nov. | .76⅜ | .76⅜ | .72 | .72 | ...... |
| .79⅛ | .73 | May | .77½ | .79⅛ | .73 | .73 | 1.21½ |
| | | **Oats** | | | | | |
| .44 | .30⅝ | Oct. | .32⅝ | .32⅝ | .30⅜ | .31¼ | .47 |
| .35⅝ | .29½ | Dec. | .30⅝ | .30⅞ | .29½ | .29⅞ | .43¼ |
| | | **Barley** | | | | | |
| .55 | .40⅛ | Oct. | .44¾ | .45 | .40⅛ | .40¾ | .60¼ |
| .49¾ | .41 | Dec. | .43¾ | .44⅛ | .41 | .41 | .58⅛ |
| .44⅝ | .43 | May | .44⅝ | .44⅝ | .43 | .43 | ..... |
| | | **Flax** | | | | | |
| 1.52 | 1.33½ | Oct. | 1.43¼ | 1.43⅜ | 1.42⅝ | 1.42½ | 1.74 |
| | | **Rye** | | | | | |
| .58 | .39⅞ | Oct. | .46 | .46⅜ | .39⅞ | .39⅞ | .88½ |
| .55¼ | .41 | Dec. | .47⅛ | .47⅛ | .41 | .41 | .85½ |
| .47⅞ | .44½ | May | .47⅞ | .47⅞ | .44½ | .44⅛ | .87 |

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**Week in Mining**

# Pause Versus Reaction Is Market's Big "If"

## Bickell and Ben Smith Home, Likely With Some Market Opinions—Gold Scramble Confirms Its Importance in World Monetary Structure

The big "if" in present market is this: Are the current pause and lull in price and volume going to replace the reaction, traditionally the sequel to a very lengthy, rather steady climb?

Some think this pause can do the necessary job of market consolidation satisfactorily. Others don't. Still others, refusing to run with either crowd, are cautiously standing on the side-lines.

Perhaps holiday mood has something to do with the market's behavior. Friday, Saturday and Monday, the market made it very evident that a good deal of its more important support has been "out of town."

Summer, too, may have something to do with the blasé indifference of the market to war scares. The Russian-Japanese affair at first looked more serious than most of the European crises of the past decade or so, but the market hardly batted an eyelash.

### *Home Coming*

After a two-weeks quarantine from market activity, while they flew 10,000 miles over the Arctic, the Yukon and down the British Columbia coast, J. P. Bickell, Ben Smith and Ontario's Premier Hepburn are back home again safe and sound.

Hot-water-drinking Ben Smith and his host, Mr. Bickell, are neither of them noted for their lethargic spirit and not a few have been wondering how they feel about the market after their holiday.

Ben Smith is understood to have left the Bickell airplane at Detroit and to have gone on directly to New York. Mr. Bickell, it seems, dropped in at his Toronto office only for a few minutes and flitted on to Montreal, according to his houseboy.

* * *

### *Doubters*

From the events of the past few weeks, the greatest doubters of gold should take heart. Astonishing confirmation of the contention of the more sober economists that gold is still fundamental to the world's monetary life has been in the news daily for all who will take the trouble to figure it out.

As pointed out in The Financial Post about six weeks ago, the slide in sterling must be accepted as part of British Government policy. The Equalization Fund of Britain is understood to be very strong; so strong that if official Britain wanted sterling to stay at its $5 price, the Equalization Fund could have kept it there.

For the present, then, a $4.85 pound seems definitely tied in not with higher U. S. price for gold or a devalued U. S. dollar, but with the Anglo-American trade treaty, probably with war debts and probably with other political-economic considerations.

Hardly a year ago, President Roosevelt stated publicly that he would not be averse to a realignment of currency values; that what he would object to was competitive devaluation. If he pushed down the dollar at this juncture, that most certainly would be competitive.

* * *

### *Confidence*

The rush to gold emphasizes the fundamental uncertainty of British business prospects. British trade has been off, iron and steel are receding and bank loans are down sharply.

Whaley-Eaton makes an interesting point about the gold scramble:

"An outstanding evidence of currency weakness and lack of confidence in currency exchange is the increasing tendency to purchase gold on credit," their foreign letter states. "Traders, instead of purchasing pounds or dollars, acquire gold to cover future currency needs. This seems to be conclusive evidence of the fundamental confidence of businessmen in gold as an international standard of value."

Quoting a distinguished continental observer, the Whaley-Eaton letter states: "There is no other method than a return to stability, that is to say, to assign to the principal currencies a fixed gold value and to make the maintenance of this value the Government's first preoccupation.. Otherwise, the international currency edifice such as that which now exists will finish by collapsing."

* * *

### *Copper Climb*

Copper stocks paid hardly any heed to the fact that copper was off in London about the middle of the week. The U. S. price is still strong and all the signs point to still higher copper prices as it should be one of the main commodities to benefit from the U. S. business upswing, prospect for which has been improving almost weekly of late.

Observers are still predicting that America will ride her way out of depression in motor cars and here is how important motor cars were to the metals on last year's business. This one industry took 16.8% of copper production, 28% of the nickel and 31.4% of the lead.

Up until the past month or so, Japan was the great importer of copper — which was hardly surprising. Now Germany is the big copper importer. Does that point to anything? It fits in pretty well with what we hear about Germany's frantic drive for raw materials, especially of the war-useful kind. Meantime, the best European observers are saying the peace outlook brightens.

* * *

### *In the Lake*

Like Canada, Mexico has just put a new and very onerous tax on miners, a 12% export tax on mine products. Half the revenue, it is said, is to be used to support the falling peso—another case of gold starvation. Howe Sound is one company operating both in Canada and in Mexico.

United States, through Cordell Hull, has recently shot off a very bellicose blast at Mexico's president, Cardenas, protesting about the expropriation of $10 millions of U.S.-owned farm lands, and the more recent expropriation of $400 millions worth of British and U.S. owned oil lands. Cardenas has just told U.S., in the very grand manner, to jump in the lake.

In the past, neither oil men nor miners have taken things like this lying down. Something may be doing here before very long.

## East Malartic Reports Development Progress

In a progress report covering operations at East Malartic Mine for the period July 1 to 15, J. P. Norrie, general manager, stated in part as follows:

"M-3 west drift on the 485-ft. level was advanced 22.2 ft. to 1,049.1 ft., assaying $10.34 over drift width for this advance and $9.55 for the entire drift.

"M-3-E drift on the 485-ft. level was advanced 76.4 ft. to 216.1 ft. on $6.82 grade ore. This drift is now in continuous ore for 1,265.2 ft.

"551 ft. of horizontal diamond drilling was done on the 485-ft. level. This drilling indicates an average width of 60 ft. of $8.50 grade, which is considerably better than the level above.

"Construction work on the new office, power house, crusher house and mill is progressing satisfactorily."

## Algoma Summit Develops 5,000 Tons Ore Weekly

Ore is being developed at the rate of 5,000 tons weekly at the property of Algoma Summit Gold Mines, according to a report released by the company.

Stoping operations have commenced on the Grey vein at the 200-ft. level. At the same level in the 202 west drift there is stated to be an ore lens 250 ft. long with the face still in ore. The lens is stated to show good values over widths of 6 to 11 ft. No. 10 vein on the 100-ft. level is showing values considerably higher than average, it is reported.

The mill continues to treat around 289 tons daily.

### Barber-Larder

The deal on Barber Larder, widely rumored on the street during the past few weeks, is understood to be going through, but officials state that no announcement can be made immediately. Half a dozen of the larger mining companies have been mentioned as takers, but officials are, for the present, keeping this fact secret, too.

### *Legal Directory*

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# Inco Reports Earnings Off

## Net of 42 Cents Shown For Second Quarter of 1938

Net earnings equivalent to 42 cents per share of common stock after allowing for preferred dividend are shown for the second quarter of 1938 by International Nickel Co. of Canada. This is the lowest quarterly profit in some years comparing with 66 cents in the first quarter of the year and 74 cents in the last quarter of 1937. It represents the fourth successive decline.

Earnings for the first half of 1938 were $1.08 per share compared with $1.71 a year ago.

Working capital amounted to $66,533,189 as at June 30, 1938, compared with $72,755,686 at the end of 1937.

In an accompanying letter to shareholders, Robert C. Stanley, chairman and president, points out that nickel silver, which traces its ancestry from the ancient Chinese paktong, is an outstanding use of nickel. World consumption of nickel in nickel silver alloy has increased 70% in the last decade and the nickel silver industry now ranks second only to the alloy steel industry as a market for nickel. This growth is attributed to both the expansion of traditional uses and the development of new applications.

**Income and Surplus Account**
Three Months Ended June 30

| | 1938 $ | 1937 $ |
|---|---|---|
| Earns. from oper. .... | 10,765,544 | 18,934,618 |
| Less: Admin. & gen. exps. .... | 402,298 | 435,808 |
| Net oper. profit ...... | 10,363,246 | 18,498,810 |
| Add: Other income ... | 188,770 | 163,999 |
| | 10,552,016 | 18,662,809 |
| Less: Deprec. & depl. | 1,693,209 | 1,497,711 |
| Inc. & franch. taxes | 1,811,704 | 2,621,535 |
| Retire. system & misc. | 428,617 | 344,168 |
| Net profit ........... | 6,618,486 | 14,199,395 |
| Less appropriations: | | |
| Preferred divds. .... | 483,475 | 483,475 |
| Common divds. .... | 7,289,084 | 7,289,084 |
| Surplus for period .... | *1,154,073 | 6,426,836 |
| Add: Prev. surplus .. | 73,291,868 | 62,338,541 |
| Less: Retire. res. ..... | ...... | 1,500,000 |
| Balance forward ..... | 72,137,795 | 67,265,377 |
| *Deficit. | | |
| **Earns. per Share and Divd. Record:** | | |
| Common: Earned .. | $0.42 | $0.94 |
| Paid ............. | 0.50 | 0.50 |

**Income and Surplus Account**
Six Months Ended June 30

| | 1938 $ | 1937 $ |
|---|---|---|
| Earns. from oper. .... | 25,471,753 | 35,772,487 |
| Less: Adm. & gen. exps. | 832,488 | 854,799 |
| Net oper. profit ...... | 24,639,265 | 34,917,688 |
| Add: Other income .. | 314,095 | 270,827 |
| | 24,953,360 | 35,188,515 |
| Less: Deprec. & depl. | 3,458,411 | 2,940,869 |
| Inc. & franch. taxes | 3,903,293 | 5,519,209 |
| Retire. system & misc. | 859,405 | 814,085 |
| Net profit ........... | 16,732,251 | 25,914,352 |
| Less appropriations: | | |
| Preferred divds. ... | 966,949 | 966,949 |
| Common divds. .... | 14,578,169 | 14,578,169 |
| Surplus for period .... | 1,187,133 | 10,369,234 |
| Add: Prev. surplus .. | 70,950,662 | 59,896,143 |
| Less: Retire. res. .... | ...... | 3,000,000 |
| Balance forward ..... | 72,137,795 | 67,205,377 |
| **Earns. per Share and Divd. Record:** | | |
| Common: Earned ... | $1.08 | $1.71 |
| Paid ............. | 1.00 | 1.00 |

Note:—Exchange adjustments for the six months ended June 30, 1938, amounting to a net debit of $80,266 were not reflected in the net profit but were charged against exchange reserve.

# UchiLake Area Sees Activity

## Mining Corporation Stakes Claims at Fly Lake

Activity has reached a new peak in the Uchi Lake area of the Patricia district following the decision of Uchi Gold Mines to erect a mill of 500 tons capacity. Interest has been heightened by new discoveries at Fly Lake, 5 miles to the southwest of Uchi Lake, where 80 claims have already been staked.

The decision of the Ontario Hydro-Electric Power Commission to erect a power line into the Uchi district at a cost of approximately $225,000 has done a great deal for the area with power no longer a problem.

Mining Corporation of Canada is now interested following the staking of a group of claims by one of the company's prospectors at Fly Lake. Little is known of the Mining Corporation find, but the corporation's engineer is now going in to look the property over. In the same area, H. P. Bellingham, president of St. Anthony Gold Mines, is carrying out diamond drilling on a property he holds.

Oro Plata Mining Corporation and other large mining companies have prospectors in the field going over the ground which has not already been staked.

Woco Gold Developments is obtaining high grade drill intersections on its Conwo property, located a short distance to the northeast of the Uchi Gold property. It is planned to bag some of the rich ore obtained in the surface showing for shipment. Exploration is to be undertaken on the adjoining property of Kenelda Gold Mines, a subsidiary of Woco Developments. The Kenelda property also adjoins Uchi Gold Mines.

Earngold Mines, whose property of 16 claims adjoins Woco and Kenelda to the east, is spotting diamond drill holes and drilling will commence immediately. Surface exploration previously carried out located shearing and a number of quartz veins.

At the Uchi property, the chief operation in the field, preparations are going ahead for the sinking of a four-compartment production shaft to a depth of 1,000 ft. during the period of mill construction. The 500-ton mill will come into production early in 1939, officials state, the exact time depending on when deliveries of mill equipment can be attained.

## Hudson Bay Mining Earns 74 Cents in First Half

Hudson Bay Mining & Smelting Co., Ltd., reports estimated net earnings of $2,038,323 equal to 74 cents per share for the six months ended June 30, 1938, after deducting all operating costs, including administration, depreciation and estimated income taxes.

During the period the company milled a total of 818,566 tons of ore.

# This Woman's Work—Mine Making

By R. A. McEachern
Staff Writer, The Financial Post

VIOLA MacMILLAN

Picking up a young hitchhiker who was just getting over pneumonia was the incident which Mrs. Viola MacMillan believes led her a long rough road to a swank office in a Toronto skyscraper, a suburban farm which she refuses to call a country estate, a suite in a smart hotel, a sizable fortune and a rapidly growing reputation as one of Canada's smartest young mine promoters.

All at around 30—and almost stony broke just a couple of years ago.

Hallnor, one of Noranda's spectacular young properties is the first deal this vivacious brunette was in that clicked in a big way. At the pouring of the first brick a few months ago, Mrs. MacMillan was an honored guest and incidentally understood to be the largest individual shareholder.

"I wish people in business would just ignore the fact that I'm a woman," this slight 110-pound girl almost snapped. "All I ask is that I get treated the same as a man. I don't ask any favors. I think I can take it. In fact I darn well know I can."

### On the Books

The hitchhiker was just one stroke of fate. Mrs. MacMillan believes firmly in fate. "It's either on the books for you or it isn't," she says time and again.

Fate, not womanhood, she says, is the key to practically everything that has happened to her.

She first began visiting the mining country because it was her husband's home.

Her first direct contact with mining came when her womanly ire and sense of plain justice was aroused and she got a court victory for a pair of prospectors who were getting squeezed out of their vendors' stock.

She learned a lot over that incident she says—about the way the wheels go round and more important—what she could do.

The law office gave her some idea how to read a contract. But offices of the mighty in Toronto she found pretty tough, when she tried to argue.

"One place the man just smiled and I found that I was going out the door fast. By the time I got to the street, I realized what had happened. I wheeled around, marched right back in and told him he couldn't do that to me. I got what I wanted.

"That man is now manager of a trust company here. He's the best business friend I've got."

### Gravel and Jobs

She's used to looking after herself in a man's way. As one of the youngest of a family of 12 children at her father's farm near Windermere in Ontario's Muskoka Lake country, she and her sister drew gravel from the family gravel pit and teamed it down to scows at the lake front.

At Windsor in the law office of Ernest (now Mayor) Wigle, she proved an unusually apt stenographer.

Windsor was booming. She chucked her job and started a real estate firm of her own. It went fine until depression.

She sold Chirstmas cards, wholesale. Her husband became a customers' man with a London, Ont. brokerage house. But the MacMillan's were, to put it mildly, hardly thriving. And prosperity was on the books for Viola. She never doubted that.

"I was reading everything on mining I could get my hands on," she now tells. "I used to go out into the country and just sit there and think. At last I made up my mind that mining was on the books for me, so I told George I was leaving for the north Friday morning. If he wanted to come along, it would be O.K.; if he didn't, I'd be all right alone." He went.

### Into the Bush

She knew no one in the mining business. Friends "told me I was crazy." She didn't know where in the north she was going. Her husband had just got a job after being out of one for months.

"But I knew we could get a bite to eat once we got to Art Wilson's," she says. He was one of the prospectors she had helped get 200,000 shares of stock which United States promoters were holding out on them.

With Prospector Wilson, her husband, and his brother, Mrs MacMillan and her prospecting license started into the bush. Day after day she scrambled through underbrush, swamps and rocks. She didn't know quartz from greywacke, so she did the cooking.

A rush trip to Toronto alone over some claims. On the return, the lift for the young hitchhiker just over pneumonia.

He was just going north for a holiday, "to get a thrill."

"Well, if you want a thrill, how would you like to come out prospecting with us? There are lots of bears and things where we are.

The youth was definitely on. Two days of bush life. One day of rain. His pneumonia came back.

The MacMillans broke camp, scrambled, paddled and motored to Kirkland Lake.

"If that boy had not got cold, things wouldn't have gone this way at all," Mrs. MacMillan says. "That was the only thing that brought us to Kirkland Lake. It was there I heard about the gold rush up to Hislop township. We got the boy looked after and put up in a home here. We stayed up all night and started at four in the morning. We got right into the staking bee and got about 2,000 acres."

That staking bee led to a syndicate which led on to Timmins which led to another group of claims. These became part of the Porcupine Quartette property, some of which was sold to Noranda to become Hallnor.

### My Life

"I'd far sooner sit and listen to a prospector all night than go dancing or go to a movie," she confesses. "Mining is my life. It's on the books for me."

"Of course, I'm in the market for anything that looks good. But I want to see that these prospectors get their's out of anything they bring in. That's one of my faults. I like everything to be clear and easy to understand and set all down on paper and once it is, follow it to the letter."

"Prospectors don't make mines. Somebody's got to have the nerve to put up money, and sell the stock. If a property comes through well, the prospector gets all the credit. If it doesn't, the broker gets all the blame. I don't think the public gives the brokers nearly enough credit for their part in mine making."

"Have you got your first million yet?" she was asked.

"Oh, no, not yet," she replied, but with a strong hint in her voice she thought big money was on her "books."

"What do you really want out of money?" the reporter pursued. "Clothes, society, travel?"

"Oh, no, I don't get much fun at all out of clothes."

Her dancing black eyes paused and she looked far over the lake from her office window.

"The real pleasure I guess is in getting mines going, getting people to work and helping people to make a little extra money. That's doing something for your country. One of my brothers has eight children. He's doing something for his country. I'm trying to do something this way."

### Fall Wheat

"That's why I can't see the way they treat Harry Oakes," she went on with less good humor. "A man who has done as much as he has for this country ought to be given a Senatorship or something that would show he was appreciated. If it weren't for people like Bickell, Murdoch, Hammell, Oakes and other people, Canada would be very different."

What does she do besides try to make and finance mines? "I never go into a deal without seeing the property myself. I don't know an awful lot about geology, but I'm learning. I have to go north at least a couple of times a month.

"I love the farm," she added.

"Raising horses?"

"No I've got a tractor," she shot back. "I want to get in 50 acres of fall wheat this year.

"And, of course, I've got the gravel pit.

"I guess gravel was on the books for me right from the start," she laughed. "I saw this hill just behind Larder Lake. It looked to me pretty much like the old gravel pit at home. I knew they'd be needing gravel around there so I bought the hill. It turned out fine. It's good gravel and there's an awful lot of it."

## St. Anthony Develops Ore at 750-ft. Level

Drifting in the No. 2 vein at St. Anthony Gold Mines continues to open up ore to the north.

At the 750-ft. level a length of 393 ft. of ore has been now opened up in this vein, with the north face still continuing in ore. The first 365 ft. of this length, on which sampling results are available, returned a reduced average value of $24.13 per ton across a width of 59 inches, after cutting high values to $50 per ton. Stoping operations have upheld the drift width and widths up to 12 ft. have been disclosed in places.

At the 625-ft. level ore has been opened up in the No. 2 vein for a length of 225 ft., with the face continuing in ore. The vein is stated to have widths of 10 to 15 ft. in the northern section of the stope and it is believed that the stope will average $15 per ton or better over these widths.

Diamond drilling gave an ore intersection 122 ft. ahead of the present north face at the 750-ft. level, and from development work on the 250 and 350-ft. levels officials expect that good results will be obtained for an additional 280 ft., with a possible continuation for 450 to 550 ft. more as indicated by drilling and development at the 100- and 150-ft. levels.

The No. 2 vein occurs entirely in grandiorite at the 625- and 750-ft. levels.

A parallel quartz vein has been disclosed by drilling with a width of 4 ft. 125 ft. east of the main break between the 350- and 625-ft. levels. Exploration of this vein has not been undertaken yet.

Present plans call for the sinking of a winze from the 750-ft. level to the 1,000-ft. horizon to allow the opening up of levels at depth. At a later date the shaft is to be raised from the 1,000-ft. level to the present 750-ft. level.

## Mining Options

**Acorn Minerals** — On July 29, 1938, Thorah Securities Corp., agreed to purchase 100,000 shares at 10 cents; 50,000 shares at 15 cents and 50,000 shares at 20 cents; payments to be completed by Aug. 8, 1939. Company incorporated July 27, 1938; authorized 500,000 shares; issued 145,003 shares.

**Battery Gold**—On Aug. 2, 1938, Robert Malcolm purchased 400,000 shares at 15 to 23 cents per share to be taken up 100,000 shares monthly commencing Aug. 31, 1938. Company incorporated Feb. 1, 1938; authorized capital 3,000,000 shares; issued 1,290,005 shares.

**Baghdad Larder** — By agreement dated May 10, 1937, W. J. Lawson, purchased 1,120,000 shares as follows: 320,000 shares at 5 cents and 800,000 shares at 10 to 25 cents. Payments were to be made as follows: 120,000 shares on signing of contract, 100,000 shares five days after and 100,000 shares 30 days after and balance 480 days after last 5-cent block paid for. Company incorporated Apr. 9, 1937; authorized capital 3,000,000 shares; issued 976,105 shares.

**Cycle Yellowknife** — On July 25, 1938, Frank A. Harris agreed to purchase 20,000 shares at 5 cents on approval of Securities Commission. Option granted on 280,000 shares at 5 cents payable $2,000 monthly; on 200,000 shares at 7 cents payable $7,000 monthly for nine months; and on 500,000 shares at 10 cents payable $10,000 monthly commencing 10th month after approval of Securities Commission. Company incorporated Mar. 17, 1938; authorized capital 3,000,000 shares; issued 1,000,005 shares. Property purchase agreement requires $15,000, payable from 50% of share sale proceeds.

**Seguin Consolidated**—Extension of three months granted D. Henderson on option on 900,000 shares at 10 to 25 cents per share.

**Slave Lake**—Aug. 4 option installment on 100,000 shares at 10 cents has not been exercised.

**Straw Lake Beach** — Under agreement with Canadian Comstock Co., for the erection of a 60-ton mill, $6,250 due Aug. 4 paid and 150,000 treasury shares allotted. Balance to be paid comprises 100,000 shares of stock and $43,700 payable out of 50% of operating earnings. Issued capital is 2,449,999 shares.

**Trout Creek Gold Mining Co.**—Extension granted on payment due last day of July to last day of August and similar extensions granted on all subsequent option payments.

**Ward Lake Gold Mines**—An extension of 30 days granted Gordon Jones on option covering 1,700,000 shares; Mr. Jones has paid $3,275 on account to date.

**Thompson Cadillac Mining Corp.**—Reports the 15,000 shares of capital stock underwritten at 27½ cents a share have been taken up. There are now 3,450,000 shares outstanding. Of 550,000 shares remaining in treasury, 150,000 shares are under option.

**J-M Consolidated**—Aug. 8 underwriting installment on 133,333 shares at 9 cents exercised; final payment of $12,000 due Sept. 8.

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## The Week in Oils

# Oil Board to Prevent Underground Oil Theft

### Will Force Drillers to Keep Wells Away From Each Other—Potential of 100,000 Daily Predicted for Year End

**From Our Own Correspondent**

CALGARY.—Designed to prevent overcrowding of wells on the Turner Valley structure and resultant waste of oil and gas, strict regulations will be made to overcome this situation within the near future.

This was indicated following a meeting of the oil operators here this week. Henceforth no oil company will be permitted to drill more than one well on each 40 acres in the Turner Valley field unless special permission of the Gas Conservation Board is given.

If, under special circumstances, the board grants a permit for the drilling of a second well on 40 acres, it will retain full control over production of the second well, when completed and may curtail the yield to any extent deemed necessary.

No well may be drilled in Turner Valley unless it is located, at least, 600 feet from the boundary of the property owned by the oil company. A well must not be drilled less than 300 ft. from the road allowance or right of way, and 300 feet from a dwelling house or a church, 1,350 feet from any gas or oil well, whether it is in process of being drilled or completed as a producing well.

In all cases, however, special permission to drill can be obtained from the board, provided special circumstances justify such permission.

Oil men expressed satisfaction at the determination of the gas conservation board to control development and prevent overcrowding—an evil associated with many American fields.

In the 1929 boom the Turner Valley naphtha area was studded with derricks in close proximity to each other. In consequence, one well drained the naphtha laden gas from a well close by.

**100,000 potential**

While Turner Valley has a present production potential of 52,000 barrels a day, oil men are hopeful this potential will be built up to around 100,000 barrels a day by the end of the year.

With this reserve, it is thought transportation difficulties will be overcome and valley oil will go to the east in large quantity. The present plan is to build up the reserve, so that assurance can be given railway companies that large shipments can be made daily, provided suitable freight rates are set.

**Coronation Surprise**

Oil men have just had a big surprise.

Thought to be a small well when first completed several weeks ago, Coronation now ranks among the large valley producers. Official announcement was made that the well yielded 2,174.5 barrels of crude oil in 24 hours at the conclusion of an 11-day Government supervised test. Potential of the well has been set at 1,450 barrels daily.

West Turner 2 will be given a second acid treatment this week. The well came in with an initial yield of 750 barrels a day. This dropped to approximately 650 barrels a day. Treated with acid, the well produced 2,500 barrels a day. A second treatment, it is believed, will make West Turner 2 an outstanding valley producer.

Davies No. 1 was also believed to have increased its production with acidization. New production figures will not be released for a few days. Meanwhile, the well will be given an opportunity to settle down. Previous potential (two thirds of capacity) was 664 barrels a day. Davies 2 has a potential of 1,757 barrels a day. Davies 4 is about 4,600 feet down.

**Four on the Way**

Four anticipated new crude producers should increase the Turner Valley oil potential to a marked degree in the near future. Royalite 31 and Royalite 32 are drilling deep in the limestone producing horizon. Commoil 2 will shortly resume in the lime after cementing casing. Mercury Royalties, recently completed, is being cleared following an acid treatment. Mercury kicked off once last week but settled back.

Royalite 30, located on a sublease granted by Anaconda, came into production last June. Its initial flow was 2,270 barrels. The potential is 1,518 barrels daily. It has only been treated with acid once. British Colonial has a well down 1,430 feet on Anaconda acreage in South Turner Valley bordering the subdivision on which Royalite 30 is located.

Within the next two weeks it should be known definitely whether the Banner well will prove a good crude producer or not. The well is considerably past 6,117 feet, including 757 feet of limestone. The formation is said to be getting softer. The well is located on a structure southwest of Turner Valley. Samples taken from the hole are said to compare with Turner Valley crude producers in the south end of the field.

**Moose Resumes**

Finances have been arranged and everything is in readiness to resume drilling at Moose Oils 2 on the Moose Dome structure southwest of Calgary. This well has been pumping crude at the rate of 50 barrels a day from a little below 1,500 feet. It has proved definitely that a crude oil field exists on the dome. Large production is anticipated between the present depth and 3,000 feet at the most.

R. A. Brown, Sr., chairman of the organization committee of the newly formed Alberta Petroleum Association, stated that the object of the association will be to protect the oil and gas industry in Alberta in all its branches, including producing, refining and marketing. Active members will include individual firms and corporations of good standing engaged in the oil and gas industry within Alberta, including oil and gas producers, gasoline manufacturers, refiners, geologists, petroleum engineers, carriers, drilling contractors, marketers, supply dealers and others actively interested in the oil and gas business in Alberta.

Each firm, person or corporation will be entitled to one representative to exercise membership privileges. Honorary members will include any person who has rendered distinguished service in furthering the organization, marketing and development of the industry. They may become honorary members without dues through election by the board of directors.

*PAUSE ON THE BIG JAUNT*

After a 10,000-mile airplane trip from Toronto to beyond the Arctic Circle, west to the Yukon and down the British Columbia coast, J. P. Bickell, colorful mining magnate, with his companions, "Sell-em" Ben Smith, of New York, and Ontario's Premier Hepburn, arrived back in Toronto safe and sound this week. Photo shows, left to right, E. J. Walli, mine manager; Jimmy Towne, pilot of the Bickell plane; and J. P. Bickell, on the steps of one of the new houses at Eldorado, 26 miles from the Arctic Circle.

## Low Zinc Price Affects Normetal

### Current Copper Prices, However, Allow Profits

Normetal Mining Corporation is making a small profit per ton at today's prices for metals, The Financial Post is informed. The current price of 10.3 cents per pound for copper is regarded as satisfactory.

The price of £14 per ton for zinc is not high enough to allow profitable shipment of zinc concentrates, although a price of £17 to £18 per ton would be quite satisfactory.

The mill is treating 400 tons of ore daily and this can be raised to 500 tons when the price of zinc warrants and when ore from the No. 3 ore body is ready for mining. Costs have been very good, officials state, in fact better than was originally estimated.

Several metallurgical problems were met with on the commencement of production. Problems in connection with treatment of ore from the No. 1 and No. 2 ore bodies have been settled satisfactorily and it is anticipated that difficulties in connection with treatment of ore from the No. 3 ore body will soon be worked out.

Regular shipments of copper concentrates are being made to the Noranda smelter. Only one small shipment of zinc concentrates has been made so far in order to comply with the terms of the contract. With a further increase in the price of zinc there is a considerable stock pile of zinc concentrates which could be shipped profitably.

## Golden Gate Mining Co. Starts Cyanide Unit

Golden Gate Mining Co. has commenced operation with its cyanide unit and a recovery of approximately 99% is now expected compared with a recovery of 60 to 70% when amalgamation only was being used in July.

July production with amalgamation amounted to $17,186 with the mill treating around 40 tons daily. Production covered all mining and milling costs, as well as current development, but was considered in the nature of experiment while the cyanide unit was being installed. With the complete mill in operation it is expected that the tonnage milled will be stepped up to 60 tons daily.

The company is fully financed, officials state, and no further sale of stock is contemplated.

## Paymaster Profit $94,576 for Year

### Initial Dividend Paid—Production and Reserves Gain

Paymaster Consolidated Mines reports record production and profits for the year ended June 30 with ore reserves and working capital standing at new highs at the end of the period. An initial dividend of one cent has been declared payable Sept. 15, 1938, to shareholders of record Sept. 1.

Production for the year amounted to $1,352,640 from 180,092 tons milled, an average recovery of $7.51 per ton. After operating charges, income taxes, and depreciation at 15% per annum, net profits amounted to $94,576.

Ore reserves increased 37.9% from June 30, 1937, to June 30, 1938, amounting at the latter date to 569,891 tons averaging 0.227 oz. gold per ton. Of this amount 105,661 tons was broken ore grading 0.214 oz.

In commenting on the year's operations, E. H. Walker, president, states that if conditions continue to improve in the opening up of the lower levels, further dividend consideration will be given at that time, which it is hoped will be before the end of the present year.

Current assets, as at June 30, 1938, amounted to $602,064, including cash $213,728; bonds and accrued interest, $250,815 (market value, $255,172); and bullion, $98,865. Current liabilities were $74,658, made up of wages payable, $27,520; accounts payable, etc., $43,625; and reserve for taxes, $3,513. Working capital amounted to $527,406, as against $379,424 at the close of the preceding year.

**Income and Surplus Account Years Ended June 30**

| | 1938 | 1937 |
|---|---|---|
| | $ | $ |
| Bullion prod. ...... | 1,352,640 | 1,139,112 |
| Add: Other inc. ...... | 23,376 | 19,626 |
| Total income ........ | 1,376,016 | 1,158,738 |
| Less: Diam. drill. ...... | 55,218 | 50,788 |
| Drift. & crosscutting | 150,304 | 234,574 |
| Sinking stations and sumps........... | 138,829 | 29,950 |
| Mining .......... | 454,408 | 416,778 |
| Ore transp. ......... | 22,287 | 29,038 |
| Crush. and conv. .. | 25,611 | 27,987 |
| Conc. and extract. .. | 120,175 | 110,204 |
| General charges ..... | 79,706 | 80,146 |
| Profit for year ....... | 329,477 | 179,291 |
| Less: Deprec. ........ | 231,390 | 139,432 |
| Inc. tax prov. ....... | 3,511 | ...... |
| Net profit ......... | 94,576 | 39,859 |
| Less: Prev. def. ..... | 74,736 | 72,741 |
| Cost of min. ore in excess of tonnage milled ........... | 51,097 | 41,854 |
| Paid to pres. & vice-pres. ............ | *25,000 | ...... |
| Inc. exp., etc. w/o .. | 19,664 | ...... |
| Invests. w/o ........ | 1 | ...... |
| Com. on shs. w/o .. | 141,250 | ...... |
| Deficit forward ...... | 217,172 | 74,736 |
| *For period July, 1933 to Sept., 1935. | | |
| Earned per Share ..... | $0.01 | $0.005 |
| Shares Outstanding .. | 8,629,000 | 8,629,000 |

## Martin-Bird Opens Up First of Two New Veins

Two new veins have been encountered by Martin-Bird Gold Mines at the 250-ft. level approximately 450 ft. west of the No. 2 shaft, according to S. J. Bird, president. The first vein encountered shows a present width of a little over 3 ft. and slashing out one side returned a value of $12.50 per ton, with grab samples running $119 and $25 per ton. True width of the vein has not been determined. The second vein is located about 6 ft. north of the first vein.

Drifting has been commenced on the first vein.

Officials feel that the new veins may represent the beginning of another wide ore body made up of parallel veins. The veins are in the vicinity of a drill hole which returned $10.50 per ton across width of 4.7 ft. at this level.

## Denison Nickel Mines Cuts Ore Body at 600 ft.

Denison Nickel Mines announces intersection of main ore body in shaft at approximate depth of 600 ft. Mineralization at this point is reported very strong.

With a new electrical plant, capable of sinking to 1,500 ft., fully installed and in operation, the company is proceeding quickly on sinking the three-compartment shaft to the 1,000 ft. horizon.

Sufficient finances are in the treasury to assure completion of this work, after which consideration will be given to mill erection.

Some 2,684 ft. of drifting and 1,672 ft. of crosscutting has already been carried out on the three present levels at 200, 350 and 500 ft. as well as a substantial footage of diamond drilling.

Present depth development programme calls for the opening up of three additional levels between 500 and 1,000 ft. and plan of lateral development.

## Mine Production Reports

**Bidgood** reported record output of $54,422 in July from 4,520 tons milled, an average recovery of $12.04 per ton. June production was $51,000 from 4,280 tons, an average of $11.91 per ton. An operating profit of approximately $70,000 is stated to have been made in the first 7 months of the year.

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**Buffalo Ankerite** recovered $263,000 in July from 30,874 tons milled, an average of $8.52 per ton. June production was $259,962 from 29,736 tons, an average of $8.74 per ton.

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**Bralorne Mines** reported production of $297,850 for July from 15,037 tons milled, an average recovery of $19.80 per ton. June production was $299,600 from 15,055 tons, an average of $19.90 per ton.

* * *

**Cariboo Gold Quartz** produced approximately $107,240 in July from the milling of 8,417 tons of ore and from mill clean-up of 357 oz. gold. Average mill recovery was $12.74 per ton. June production was $135,030 from 8,394 tons, an average of $16.09 per ton.

* * *

**Dome Mines** production for July amounted to $619,879 from 49,300 tons, an average of $12.57 per ton. Production in the previous month was $589,548 from 50,100 tons treated, an average recovery of $11.76 per ton.

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**Fairview Amalgamated** production in July amounted to $14,530 from 4,190 tons treated, an average recovery of $3.47 per ton.

* * *

**Island Mountain** had recovery of $55,692 from 3,623 tons of ore treated during July. June output was $52,955 from 3,540 tons milled.

* * *

**Kerr-Addison** — July production amounted to $145,234 from 20,199 tons milled, an average recovery of $7.19 per ton. June output was $118,929 from 16,231 tons, an average of $7.32 per ton.

* * *

**Laguna** production for July was a new record amounting to $52,507 from 2,725 tons milled, an average recovery of $19.30 per ton. June production was $51,414 from 2,691 tons, an average of $19.11 per ton.

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**Morris Kirkland** July production amounted to $12,500 from 3,035 tons of ore, an average recovery of $4.12 per ton. June production was $15,200 from 3,053 tons, an average of $4.98 per ton.

* * *

**Paymaster Consolidated** July production amounted to $118,438 from 16,619 tons of ore, an average recovery of $7.13 per ton. In June recovery was $114,319 from 16,555 tons, an average of $6.91 per ton.

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**Perron** produced $119,703 in July, a new monthly record. Tonnage treated is not yet available. In June $97,622 was produced from 10,011 tons milled, an average of $9.75 per ton.

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**Pioneer** July output amounted to $169,000 with expenses estimated at $67,000 before depreciation, taxes and depletion. June production was also $169,000 with expenses of $66,000.

* * *

**Sand River** reported production of $36,540 in July from the milling of 3,139 tons of ore for an average recovery of $11.64 per ton. In June recovery was $32,935 from 2,800 tons, an average of $11.76 per ton.

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**Sheep Creek** July production was $78,699 from 4,701 tons of ore milled, an average recovery of $16.74 per ton. June output was $72,009 from 4,569 tons, an average of $15.76 per ton.

* * *

**Sigma** production for July amounted to $150,928 from 19,215 tons of ore milled, an average recovery of $7.85 per ton. This represented new highs for recovery and tonnage milled and compared with $146,315 from 18,535 tons in the previous month.

* * *

**Siscoe**—July output was $194,096 from 17,239 tons milled, an average recovery of $11.26 per ton. This compared with production of $206,172 in June from 17,772 tons, an average of $11.60 per ton.

* * *

**Sturgeon River** reported the best month in its history in July, both for total production and average recovery. Production amounted to $52,150 from 2,221 tons of ore for an average recovery of $23.48 per ton. June production was $45,045 from 2,289 tons, an average of $19.68 per ton.

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**Wendigo** July production was approximately $28,000 comprising $24,500 in bullion and $3,500 contained in flotation concentrates. The mill treated 2,310 tons, with recovery of $12.12 per ton. There was a shutdown of 4 days during the month to allow overhaul of the power plant. June production was $34,561 from 2,468 tons, an average recovery of $14 per ton.

## Anaconda Oil Drilling Steveville Structure

Anaconda Oil Co. reports its Anaconda - Steveville No. 1 well has reached a depth of 1,950 ft. and is logging satisfactorily. The 10¾-inch casing has been set to a depth of 1,918 ft. A total of 1,760 acres is held by the company on the Steveville structure.

British Colonial Oils Ltd., is drilling a well on L.S.D. 5, sec. 32-18-2.w5 sub-leased from the company. This lease adjoins the lease on which Royalite No. 30 was drilled. The British Colonial well is down 1,430 ft.

A 10% net royalty interest is held in the Royalite No. 30 well which is producing 562 bbls. daily.

## News Concentrates

**Agawa** is drifting on No. 3 vein at 250-ft. level following drilling. At the 125-ft. level No. 3 vein was opened up for 180 ft. with fair values reported. The 75-ton mill will not resume operations until the completion of further lateral exploration and raising.

* * *

**Argosy Gold Mines** has called a special meeting for Aug. 18 to consider a by-law for sale of company's property to Col. E. M. Thomson. Under proposed agreement a new company will be formed in which present shareholders will receive about 20% equity, or one new share for each five held. Col. Thomson and associates will underwrite part of remaining stock to provide funds for further work and will receive option on shares.

* * *

**Arjon** continuing drilling at its property in Larder Lake area adjoining Kerr-Addison to west. Exploratory holes completed have revealed interesting structural conditions but commercial ore has not yet been cut.

* * *

**Astoria Quebec** shares were called for trading on the Toronto Stock Exchange on Aug. 10, with ticker abbreviation AST. Shares of the predecessor company, Astoria Rouyn Mines, which are exchangeable for new shares on a two for one basis, were removed from trading at the same time. Astoria Quebec has outstanding 2,352,311 shares of its authorized 5,000,000 shares.

* * *

**Bounty Yellowknife Mining Syndicate**—formed to explore the C. D. group of claims near the northern holdings of Mining Corp. in Yellowknife, has completed financial arrangements with Toronto interests for a comprehensive programme of exploration. Property is said close to the granite contact extending through this section. D. R. MacDougall, who supervised staking, reports that a grab sample from one vein returned $18 per ton in gold.

* * *

**Bronian Porcupine Mines** has arranged finances to carry out underground exploration at property in Porcupine area adjoining Pamour Porcupine Mines to south. Drilling is stated to have indicated large body medium grade ore.

* * *

**Brown Oil** shareholders failed to approve the plan for retiring present preferred issue through an offering of common shares to preferred shareholders, at a special meeting last week. They did authorize, however, an increase in the authorized common issue from 2,000,000 to 3,000,000 shares.

* * *

**Canty Gold,** operating in Hedley district, has advanced development at 200-ft. level for 300 ft. toward ore zones indicated by diamond drilling last year. At point of its first objective flat body of granodiorite was found to shut off ore. Tunnel will be extended another 100 ft. to clear this flat zone.

* * *

**Central Cadillac** announces through President Gerald McTeigue that Hubert Kearns, Montreal, has been appointed secretary-treasurer succeeding Norman Stavert who has resigned.

* * *

**Chan Yellowknife** reports a find has been made on its "C" group at Pensive Lake. A vein has been traced 400 ft. with panning across widths of 3 to 6 ft. giving gold values.

* * *

**Credo Porcupine** is expected to broaden its programme of drilling following completion of additional financing. Work completed to date has outlined 9,200 tons of ore averaging about $12.50.

* * *

**Dome Mines** is reported to have made a find in Yellowknife area, north of Pensive Lake, about 45 miles east of Yellowknife and 18 miles south of Murray discovery of Consolidated Smelters. Vein located is stated to have width of about 50 ft. Diamond drill is now being taken in.

* * *

**Doreva** has completed financing arrangements and operations likely will be resumed at property within two months.

* * *

**Eldorado Gold Mines**—reports that with the shaft at the central workings now deepened to 920 ft., sinking operations at that point have been completed. While work proceeds on the two new levels which this adds to the silver-radium property, the programme of developing ore reserves, involving veins Nos. 1, 2 and 3, continues on the upper horizons. "As far as the underground programme is concerned, it is desirable to investigate further the possibilities of the secondary minerals which occur at depth with the pitchblende and silver, and which may have commercial value in the future," Gilbert LaBine, president, points out.

* * *

**East Rouyn** has been securing some results in drilling its property east of McWatters in Rouyn twp. One hole cut 31.3 ft. of core at 900-ft. depth, averaging $8.87 per ton. Next hole intersected similar material returning lower values.

* * *

**Elmos** has competed its shaft to its objective of 300 ft. and crosscutting to the ore zone is now under way.

* * *

**Faulkenham Lake** shareholders have approved an increase in the number of directors from 5 to 7 and sale of 429,495 shares remaining in treasury at a discount. Plans call for transfer of Faulkenham Lake mining plant to Starratt-Olsen ground and carrying out further drilling during setting up of plant. It is intended to carry out further work on Faulkenham Lake property when Starratt-Olsen programme is further advanced.

* * *

**Frood** is preparing for open-pit mining. Largest of their kind on the continent, three 35-ton Diesel trucks will soon be at work with two 175-ton electric shovels. Open-pit work is a departure in mining methods in the Sudbury area. Work on the steel and concrete building which will house the crusher is well under way. Capacity will be 6,000 tons daily.

* * *

**Northern Empire** commencing programme of expansion at property in the Beardmore area of Ontario. Programme involves construction of new headframe and shaft house. Sorting facilities being provided expected to raise mill heads about $1 per ton. Mill capacity will remain at about 180 tons daily. Diamond drilling from 1,725-ft. level is stated to have revealed no unfavorable diabase to at least 2,300-ft. depth.

* * *

**Rahn Lake** is continuing underground development and preparations are being made for the erection of a mill of a probable capacity of 100 to 150 tons daily.

* * *

**Reward Mining Co.** is extending crosscut from its Edye Pass workings to Surf Point mine to give 350 ft. of additional depth on Surf Point ore bodies. A few hundred feet of advance will be necessary to reach this objective. Plans for mill construction are stated to be well in hand.

* * *

**Thompson Cadillac** announces purchase of new compressor to double air capacity at property. Some consideration has been given to establishing of roaster plant.

* * *

**Trout Creek Gold Mining Co.** is commencing programme of exploration for its property in Teck twp., Kirkland Lake area. Plans call for check sampling at 76-ft. level to verify previous results followed by lateral work. It is hoped that high grade patches comparable to high grade surface showings will be opened.

* * *

**Ward Lake Gold Mines** has been formed to work former Parkhill property, Michipicoten area, Ont. Adjoining claims have been acquired to protect strike of the main vein system. Development plans call for drifting and drilling on upper levels, extension of upper level drifts to explore new claims and shaft sinking for development on new levels at depth. Company has capitalization of 3,500,000 shares; 1,300,000 shares being issued for property to be held in escrow. Old Parkhill shareholders are to receive one new share for 10 old.

## Behind Alberta's Unity Drive

(Continued from page 9)

standing by its constitution and principles.

Under these circumstances, the danger which the Unity Council must avoid if it is to assist rather than hinder the solution of the problem of opposition to Social Credit, stands out clearly. The danger is simply that of antagonizing the leading opposition parties, rather than encouraging them to form a united front. If in the next election, a Liberal, a U.F.A., and a Conservative candidate are each nominated to oppose a Social Crediter, the chances of the Aberhart man surviving will be enhanced. His chances would be multiplied, it would seem, if in addition a further opposition candidate under the Unity of Independent flag were nominated.

The most fruitful field for the Unity Council, it is apparent, lies in negotiation among parties. In this way a considerable amount of friction could be ironed out, permitting co-operation of voters against Social Credit. As a go-between, the Unity Council conceivably could prevail upon opposition parties to avoid hopeless contests that would only injure the chances of another opposition party. But a programme determined to fly the flag of unity in the face of other opposition parties would leave many voters puzzled as to the best way to vote to defeat Social Credit.

**Open Friction Avoided**

At the present time there is no open friction between existing parties and the Unity Council, apparently because leadership on all fronts is hoping to avoid disputes in the face of the peril of return of Social Credit. To strengthen this truce would seem to be the chief function for the Unity Council.

A disturbing factor reported by practically all politically interested visitors to Alberta is the onslaught made in private by many unity adherents on Mr. Gray, the Liberal leader. On investigation the basis of this attack is traceable to his refusal to join the Unity Council openly. Liberal opinion reports that the price of such action for Mr. Gray would have been splitting the party of which he is leader, and his replacement by someone else as Liberal chief. The question boils down to whether the Unity Council want Mr. Gray without his party, or whether it is willing to negotiate for co-operation with the Gray party on an informal basis.

A check-up of developments since Mr. Gray became Liberal leader shows that neither he nor his party, despite internal rumblings, have deviated from his original declaration of willingness to co-operate with others, and there is no reason for doubting the good faith of this declaration.

**Eager to Oust Aberhart**

While analysis of the Alberta situation, as outlined here, reveals confusions and possibilities of friction, in its broad outlines the prospects of successful opposition to Social Credit are in reality optimistic. A paramount factor in the next election will be the desire of countless voters to rid the province of its present régime. These voters will vote in their constituencies for the candidate who appears to have the best chance of ousting the Social Credit members, regardless of party label.

The element of confusion lies in the avenue which such voters choose finally in making their desire felt. With a unity sentiment running strongly, the Liberal party could be lifted into office. At the same time, such a current might be drawn behind the Unity party, if the Unity Council later comes into the field as a full-fledged party with a full slate of independent candidates as envisaged in the Council's recent recommendations. Likewise, if the U.F.A. as a party should happen to catch the popular fancy, its comeback in Alberta would be aided.

Examination of party prospects at this stage suggests that besides Social Credit, only the Liberals or the U.F.A. would likely be in a position to nominate a slate of candidates sufficiently large to bid for a majority of house seats. Neither the Conservatives, the C.C.F., nor the Communists appear in a position to make such a bid.

The question on which the success of Unity will depend is whether its good offices will be devoted to unifying Social Credit's strongest opposition, or seek to enter the already crowded field as a new party.

## Mining Company Options

**Anglo-Canadian Oil Co.**—Nesbitt, Thomson & Co. has exercised its Aug. 4 option on 600,000 shares at $1.10 per share. Balance of option comprises 200,000 shares at $1.50 and 200,000 shares at $2 per share. Issued capital is 1,600,000 shares.

**Roche Long Lac**—Company on Aug. 3 sold 50,000 shares at 12½ cents per share by an underwriting agreement with J. T. Cannon and granted an option on 50,000 shares at 17½ cents per share for 30 days. There are 2,395,005 shares issued.

**Jellicoe Consolidated Gold Mines** — Oro Plata Mining Corporation has taken up 50,000 shares of the 100,000 shares due to be taken up under option by July 31; balance of the installment together with two subsequent installments, have each been extended two months.

**Montague**—Company informs the Montreal Curb Market that 6,000 shares have been issued to officers at 10 cents per share. Issued capital is 1,456,555 shares.

**East Malartic** — An additional 88,875 shares have been taken up at $1 per share. Balance of underwriting comprises 130,114 shares at $1 per share. Issued capital is 3,869,886 shares.

**Lapa Cadillac**—Aug. 1 installment covering 25,000 shares at 60 cents has been exercised. There remain 25,000 shares under option at 75 cents to be taken up by Sept. 1. Issued capital is 2,974,765 shares.

**Wood Cadillac**—Aug. 1 option on 50,000 shares at 40 cents per share has not been exercised by Northern Investors Syndicate Trust and agreement will be terminated 15 days from Aug. 2 unless the default is cured prior thereto.

**Augits Porcupine** — On July 27, H. G. Donley, Toronto, optioned 25,000 shares at 60 cents to be taken up by Sept. 1, 1939.

## McWatters Production $102,928, 2nd Quarter

Production for the June quarter amounted to $102,928 from 8,714 tons of ore and 770 tons of tailings treated. In the first quarter production was $92,317 from 8,670 tons of ore milled.

On the 712-ft. sub-level, over 400 ft. of ore averaging between $10 and $12 per ton across about 10 ft. has been opened up in the new ore body with the east face still in ore. There is a possibility of adding an additional 100 ft. of ore before reaching the fault. The crosscut on the 775-ft. level has reached the new ore body and crosscutting is proceeding on the 900-ft. level.

Details of the results of operations in the first two quarters of 1938 are as follows:

**Operating Statement Quarter Ended**

| | June 30, 1938 | Mar. 31, 1938 |
|---|---|---|
| | $ | $ |
| Bullion produced .... | 98,829 | 92,317 |
| Add: Recov. from tailings ................ | 4,099 | ...... |
| Total income ......... | 102,928 | 92,317 |
| Less: Oper. exps. .... | 56,134 | 64,306 |
| Oper. profit* ......... | 46,794 | 28,011 |
| *Before allowance for depreciation, depletion or taxes. | | |
| Oper. profit per Share | $0.025 | $0.015 |
| Tons milled .......... | 8,714 | 8,670 |
| Tailings milled ....... | 770 | ...... |

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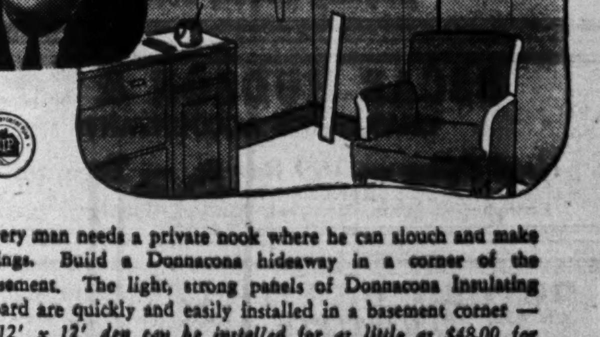

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*Rowell Commission Problems — II.*

# Wider Powers for Ottawa

## Greater Centralization of Responsibility Seen as Solution to Problem

By NORMAN A. WHITE

*Following is the second article in a series appearing in The Financial Post from time to time, analyzing the representations and problems submitted to the Rowell Commission on Dominion-Provincial Relations. The author is The Financial Post staff writer who accompanied the Commission during its tour of Canadian centres.*

**Wider powers for the Dominion Government may be one of the results of the Rowell Commission study of Dominion-provincial relations.**

Certainly, a large section of Canadian citizens favor solving the problem which the Commission is studying by handing over to Ottawa additional responsibilities. The vast majority of submissions to the Commission made definite suggestions for greater centralization of authority. In fact, about the only opposition to wider powers for the Federal Government came from the Ontario, Quebec and New Brunswick Governments.

There is limited realization of the extent to which the proposal for greater centralization has been supported. Municipal business and private organizations from the Atlantic to the Pacific have approved the suggestion. Five provincial governments have endorsed it. It has the support of labor, investors, educationalists, taxpayers' associations, real estate bodies, builders, youth councils and women's organizations.

### Social Services

Proposals made to the Commission differ in the degree of centralization favored. But for the most part they centre around social services. The principal suggestion has been for the Dominion to assume the entire cost of such social services as unemployment and agricultural relief, old age pensions and mothers' allowances. Some would also like the Dominion to make substantial grants toward other social services and toward education.

The problem which the Commission is studying is largely financial. Some provincial governments are virtually bankrupt and others, because of limited financial resources, are unable to perform what they consider normal services. Municipalities throughout the entire country are hard pressed financially. The burden of taxation on real estate is too heavy.

Broadly speaking, there are three possible solutions. The Dominion, with its wide taxation powers, can assume certain responsibilities of the provinces and municipalities. The taxation powers of the provinces can be enlarged. The Dominion can make larger conditional or unconditional grants to the provinces.

### More Authority at Ottawa

Most popular of these suggestions is for the Dominion to assume additional responsibilities. The least popular is that the taxation powers of the provinces should be increased. It is felt this would only increase the complexity of the tax structure and result in further duplication of taxation. Furthermore, it would benefit the wealthier rather than the weaker provinces.

For instance, if the Dominion abandoned the income tax field to the provinces, Ontario could easily look after its own relief problem. Saskatchewan, however, would still have insufficient revenues for its needs.

As to grants by the Dominion to the provinces, there are several objections. Unconditional grants have always been a source of irritation. Conditional grants, on the other hand, have not been permanent and there has not been proper supervision.

It is not sound public finance for one government to raise the revenue and another to spend it. This was stressed by the Commission wherever it held sittings.

### National in Scope

The wider taxation power of the Dominion is not the only reason for the centralization proposals. It is felt some services should be national in scope and that there should be a uniform standard of social services.

In regard to relief, it is pointed out that unemployment is a national problem. To meet the problem a national policy is necessary. This has been demonstrated by the experience of the past depression. The division of authority during recent years has been far from satisfactory.

Ontario, Quebec and New Brunswick argue against any surrender of provincial powers. Supporters of centralization reply that the provinces have assumed responsibilities which it was never intended they should have. In fact, these services were not foreseen at the time of Confederation.

There is strong ground for the claim that the powers of the provinces have increased far beyond what was intended by the Fathers of Confederation. They could not be expected to foresee social services as we have them today. This, however, is not the only reason why expectations of the Fathers of Confederation have not been fulfilled. Another factor has been the interpretation placed on the B.N.A. Act by the Privy Council.

In its brief to the Commission, the Manitoba Government proved fairly conclusively that as a result of judicial decisions we have failed to achieve the intention of the B.N.A. Act drafters. It was intended the Federal Government should have jurisdiction over all functions where uniformity of legislation was desirable and where they were of common import to the whole country. This has not been achieved. At the present time the provinces exercise a number of such functions.

Proposals for greater centralization have not been limited to responsibility for social services. It is also suggested the Dominion should have exclusive jurisdiction over labor matters. Unemployment insurance, hours of work, minimum wages, labor disputes, employment agencies, workmen's compensation are all considered fit subjects for federal legislation.

It has also been suggested there should be greater centralization of taxation. Business organizations especially feel that income taxes, succession duties and corporation taxes should be collected exclusively by Dominion. Some would have the Dominion assume income taxes and succession duties as compensation for services taken over.

For the most part, however, the proposal for centralization of taxation has had as its object simplification of the tax structure, elimination of duplication and reduction in collection costs. Businessmen see no reason why these taxes could not be collected exclusively by the Dominion and a redistribution of part of the proceeds made to the provinces on a fair basis.

### National Unity Essential

One of the strongest arguments advanced for greater centralization has been the need for greater national unity. The biggest obstacle to greater national unity at the present time is that Canada is largely a collection of nine provinces. Both social and economic development is being hampered because the provinces have jurisdiction over matters of national importance.

By strengthening the authority of the Federal Government it should be possible to achieve great equalization of conditions throughout the country and to remove some of the cause of dissatisfaction.

Most students of public affairs agree that the ideal solution for the Dominion-provincial financial tangle is to increase responsibilities of the Dominion. How far the Rowell Commission will go in its recommendations will depend on whether it takes into consideration political factors or merely recommends what it considers to be an ideal division of authority. Indications are it favors centralization to some degree.

### Serious Obstacles

While centralization may be an ideal solution it must be admitted there are serious obstacles. With the Ontario, Quebec and New Brunswick Governments opposed, it would be difficult to obtain an amendment to the B.N.A. Act.

In the Ontario and Quebec attitude there are a number of angles to be considered. Minority rights have always been an important matter as far as Quebec is concerned. This has been recognized by those who propose greater centralization. In every instance it has been stressed that the minority rights of the French-Canadians should in no manner be altered.

Without doubt Ontario and Quebec are not strongly opposed to assumption by the Dominion of such services as relief and old age pensions. They would probably be glad to get rid of these burdens. What they do fear is loss of such excellent revenue sources as income taxes and succession duties.

If the Dominion had been asked to assume these services and there had been no suggestion that some revenue sources should also be handed over, it is doubtful if their opposition would have been as great.

The basic question is whether Canadians want the Dominion Government better equipped to carry out national functions or whether they want to see the emphasis placed on the authority of the provinces.

**Highways to Toronto will be crowded after Aug. 26 with Exhibition traffic. A section of the parking space outside the C. N. E.**

*A Voice from the Maritimes*

# New Labor Regulations

## New Brunswick Moves Forward With Plans to Avoid Strikes

By HERBERT L. STEWART

H. L. STEWART

Some time ago, attention was drawn to a case of industrial strife in New Brunswick. A coal mine dispute there brought comment and advice from outside, which persons on the spot promptly resented as intrusive. No objection, however, can be taken to an appreciative outside word about the improved Labor law which New Brunswick has now enacted to make disputes, if not less likely to arise, at least less obstinately resistant to methods of peaceful adjustment.

Under its provisions a conflict, affecting 30 or more persons, which a conciliation commissioner has been unable persuasively to adjust, will lead to the choice by government of a tripartite Board to make recommendations for a settlement. This is not a tribunal, vested with power to enforce its decree.

The Board can but recommend such solution as, in its view, would be reasonable and fair to both sides. Either side may reject it. But what the new law does require is that both sides must take a vote on the question of accepting or rejecting.

### Must Consider Conciliation

It is required, too, that until the measures of conciliation set forth shall have been tried and have proved ineffective, no strike or lock-out shall take place. The new law does not forbid resort in the end to such ultimate weapon of industrial battle, but it does prohibit this until such time as the unyielding party—employer or employees—can report a fair though fruitless trial of the plan to conciliate.

A notable step forward in the direction of industrial peace! It is not general disarmament; this in the Labor world, as in international relationship, continues to be impracticable. But it is much, in the narrower as in the wider arena, to have reduced to a minimum the emergencies for which force can seem — to reasonable people — the only effective solution.

The New Brunswick Act provides guarantee after guarantee for the future ventilation of industrial disputes. It declares the right of employees and of employers to organize in associations or trade unions. It assures them of the right to bargain collectively through organizations elected by a majority vote. It pronounces void any condition inserted in a Labor contract to restrain either party from exercising the rights so specified.

As the Labor Gazette puts it, the new Act provides a penalty "for any employer who, by threat of dismissal, or by dismissal or loss of employment . . . attempts to induce any person to join or refrain from joining or belonging to any organization, or to work or abstain from work."

### Penalties For Both Sides

Aye, there's the rub — perhaps some Labor leader will exclaim. "Not only are employers made liable to penalty if they use pressure to prevent the workers from forming a union; we in turn are threatened. if we are found pressing them on the other side. But surely there is a world of difference between intimidating a man for his benefit and intimidating him for his injury."

That raises exactly the point which the framers of this New Brunswick Act have in mind. They are set upon preventing all intimidation; set upon preserving the freedom of the worker alike from those who would decide for him (enforcing their decision by threat) that he shall work and from those who would decide for him that he shall abstain from working. The true reproach against such an organization as the C. I. O. is that it, no less than the regime which it assails, would deprive the employee of liberty of choice.

### Adult Education

And, while I am writing of this recent reform in the Labor laws of that province, I may perhaps fitly add a word about the zeal for adult education which New Brunswick has lately shown. It is time for our eastern provinces to waken up to that inspiring project which has been at work so conspicuously in the West.

The latest report of the Department of Education shows a movement at Fredericton which should spread elsewhere. We read in it:

The high percentage of illiteracy in New Brunswick, and the very limited amount of organization for study after leaving schools, indicate that facilities and encouragement for adult education should be widely extended. With the help of local leaders, study clubs are being formed, and a temporary agent has been appointed by the department to supervise work in literature, speech and dramatics. The adults of the province are showing a gratifying activity in these subjects.

Naturally they are, and they always will, if they are given the right kind of chance. The report goes on to deplore the lack of an effective public library service which will reach the rural districts. A recent tour in the west of Canada has convinced me that in this matter there is a reversal of the order we had come to think fixed. On this side of education just now, it is the West rather than the East that is setting the true pace.

# Newfoundland Notes

H. M. Hanna, president of Clinchfield Sand and Feldspar Corp., Baltimore, U.S.A., has been inspecting the talc property at Manuels. The purpose of his investigation is to determine possibilities of separating the talc from rock by mechanical means that would make mining and shipping of the material a commercial proposition.

• • •

### Peat Deposits

Peat deposits in Newfoundland have been examined by R. F. Arnett, managing director of Alouette Peat Products Ltd., Pitt Meadow, B.C. In his report to the Commission he states there are several peat bogs near St. John's worthy of commercial development. Not only are these bogs of high quality, but they are immediately accessible to transportation. A potential market is the United States which imports a considerable amount of peat from Germany and Sweden. Mr. Arnett suggests the first unit be built with a capacity of 1,000 bales a day.

# Canada Tops Travel Record

## Per Capita Expenditure on Travelling Highest in World

Canada spends more on outside travel per capita of population than any other country in the world.

A recent trade survey made by the German Government shows per capita expenditures by Canadians in 1936 at $11.94. New Zealand stands a close second with a per capita expenditure of $11.42 and the United States third with $6.52. The Canadian leadership was even more marked in 1929 when Canadian travel figures rose to a peak of $12.14 per capita as against $9.38 per capita for New Zealand.

The following table taken from the report of the survey shows the ranking of leading countries in per capita travel expenditures in terms of Reichsmarks.

| | 1929 | 1936 |
|---|---|---|
| Canada | 50.58 | 29.86 |
| New Zealand | 39.17 | 28.56 |
| U. S. A. | 29.99 | 16.30 |
| Great Britain | 13.25 | 11.66 |
| Australia | 12.63 | 12.65 |
| South Africa | 11.53 | 14.14 |
| Netherlands | .... | 7.54 |
| Denmark | 7.97 | 13.66 |
| Czechoslovakia | 6.05 | 4.90 |
| France | 5.98 | 1.97 |
| Sweden | 5.52 | 10.61 |
| Germany | 4.63 | 1.95 |
| Poland | 2.49 | .76 |
| Italy | 1.71 | 1.54 |

Even in terms of total expenditure on travel Canada stands third in world ranking, outstripped only by the United States and Great Britain. In 1929, according to figures supplied by the German Institute of Business Research, United States travellers accounted for about 50% of the total of $1.7 billion spent on travel. Great Britain ranked second in total travel expenditure with a share of 10% closely followed by Canada.

The German survey notes a radical shift in travel itineraries due to a great extent to the depreciation in the American dollar in 1933. The number of American visitors to Europe in that year, it is shown, dropped to one third of the previous level and has only slowly recovered.

"In 1936," says the report, "American travel to Europe received a new impetus from the Olympic games at Berlin. Nevertheless the number of travellers to Europe was still 20% smaller than before the depreciation of the dollar. Travel to Mediterranean countries especially was strongly restricted. Partly through the effect of the Italian colonial conflict in Abyssinia they have lost almost half of their American visitors.

"The American tourist," it adds, "is obviously tired of Europe, since nearly all other countries chosen by Americans are showing profits compared with 1932."

### A Fish Story

From Glacier National Park, Mont., comes the story of a race of supertrout now being bred to feed into the park streams. On a near-by ranch, it is reported, are 12,000 fingerling trout, a cross between the Golden Fontanalis and the ordinary brook trout. If they survive they are expected to turn into large sized fighters which should give the best anglers a run for their money. It is believed also that they will produce legal sized fish in less than half the time required by native trout.

### New Philippine Fleet

The first Philippine-owned steamship service has been placed in operation on the Pacific. The fleet of six ships is owned by Madrigal & Co. and a limited number of passengers will be carried. The fleet is seen as a possible nucleus for a Philippine merchant marine and the legislature now has under consideration a marine programme which includes a subsidy of $10 millions for as trans-Pacific service.

*By Air, Land and Sea*

# The Exhibition City Boom

## Canada's National Fair Provides Ace Drawing Card of Tourist Trade

Toronto is on the eve of its annual boom.

In bad years as well as good Ontario's capital can count on two weeks when most of the wheels hum, when restaurants and theatres are crowded, when store sales pick up, when money circulates freely.

The Canadian National Exhibition opens its gates on Aug. 26 and closes them on Sept. 10.

Attempts to make an accurate estimate of the numbers that invade Toronto during the exhibition boom have failed. Rail figures indicate an influx of some 40,000. Road traffic, however, accounts for by far the largest proportion of the transient population, particularly from across the border.

Rough estimates place the number of visitors to Toronto during the two weeks at from 250,000 to 300,000 exclusive of the day-trippers from near-by points. This is a sizeable army for a city to accommodate and hotels and restaurants make elaborate preparations. A survey of a few of the representative restaurants in the city indicates that food turnover during the two weeks shows an increase of nearly 40%.

Despite these preparations last year one downtown restaurant was caught unawares by a midnight crowd of hungry customers. With a food shortage imminent the management rushed food in ten taxicabs from a large cold storage plant.

### Flood of Enquiries

Such incidents yearly add color to Toronto's exhibition boom. For the past six months the Canadian National Exhibition office has been answering American and Canadian enquiries on how to get to the Exhibition and where to stay. Its 1938 files already contain letters from 42 States and every Canadian province. Next week these enquiries will be turned over to the C.N.E. Information Bureau—the temporary organization employing a staff of more than 100—and the job of handling the tourist influx will be started in earnest.

The simplest part of this undertaking is directing the visitor who wants standard hotel accommodation and making sure that he will get it. More complicated is the work of looking after the tourist who wants cheaper or more private accommodation. The groundwork for this was completed in the early part of the summer. Applications for exhibition tourists are received from hundreds of private Toronto homes and boarding houses yearly. The C.N.E. employs a corps of investigators and inspection of the premises is made before any application is accepted.

Attendance figures are something which no one close to the exhibition would be foolish enough to predict. Basically they follow the trend of business conditions and the tourist industry but there are many potential slips between economic prospects and gate receipts. A period of rain may be good for a drop of 500,000. Last year everything pointed to a substantial increase in attendance and revenue. The polio epidemic cut attendance by at least 300,000 and turned a potential surplus into a deficit of $57,000.

This year pre-exhibition indications are encouraging and point to an attendance total which should at least reach the 1936 mark of 1.6 million. From a business and trade standpoint 1938 will mark another year of expansion. Eight foreign countries will be among the new exhibitors including the Netherlands, Poland, Portugal and Finland. This record answers complaints that "there's nothing new to see at the exhibition."

### Tourist Attractions

In its conglomeration of architectural oddities Toronto hides a wealth of interest to the tourist. To sightseeing bus operators exhibition weeks are harvest time.

Within a 200-mile radius of the city lies an area rich in tourist attractions. The road to Callander and quintuplets will be a busy one after Aug. 26. Steamers to Niagara will substantially increase their passenger traffic. The Martyrs' Shrine at Midland is becoming an increasingly popular goal while Kingston and the newly restored Fort Henry will provide another mecca for the visitors.

By the second week in September the boom will be over. The last exhibition tourist will have recrossed the border. The American customs will have cleared the last $100 worth of purchases made under the tourist permits. But a trail of new money will have been left to swell the coffers of Canadian business and prove again that the Canadian National Exhibition has done its job as the Dominion's ace in the pack of tourist drawing cards.

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